

SEE BACK PAGE

Charts depicting the progress of your Company over the past 10 years are presented on Page 16, the back page of this Report.

THIRTY-SECOND

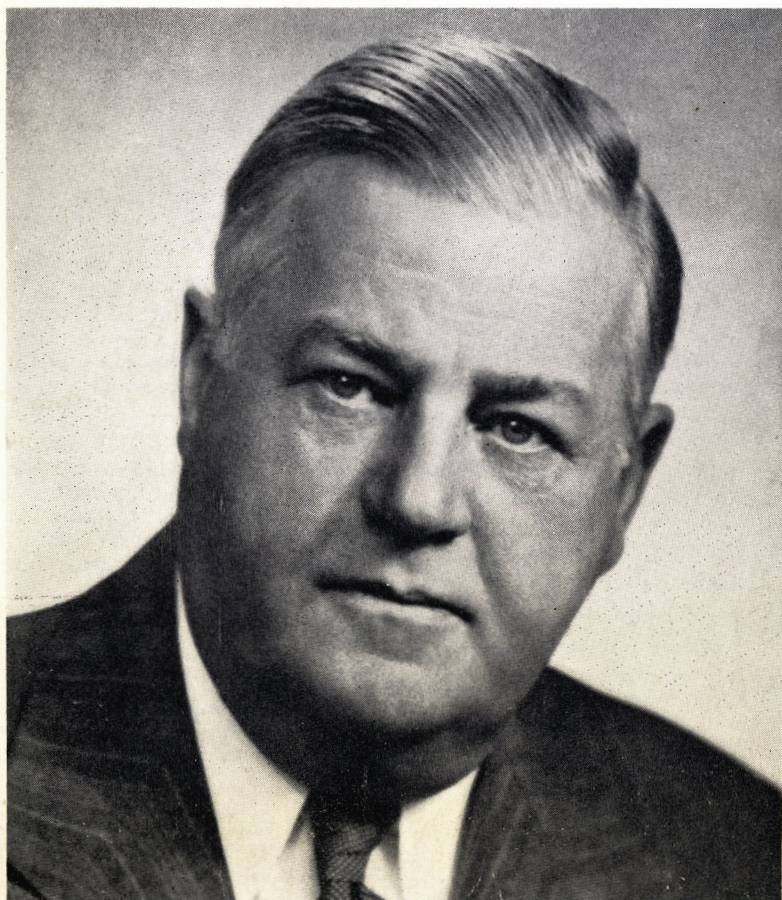
ANNUAL REPORT OF DOMINION STORES LIMITED

SEE PAGES 8-9

For your convenience, complete financial statements for the fiscal year ended March 22nd, 1952, are concentrated on Pages 8 and 9, in the centre of this Report.

FISCAL YEAR ENDED MARCH 22nd, 1952

Greatest Sales Increase in History



J. WILLIAM HORSEY

"Dominion people at all levels have shown a great capacity for assuming ever-greater responsibilities. The aggregate of countless cases of individual expansion is crystallized in the Company's corporate expansion in 1951," says J. William Horsey, President.

Decentralized System Aids Adaption to Year's Conditions

The period of our 1951 fiscal year provided the most severe and varied tests of efficiency experienced by the food distribution industry in years.

At the outset, upon announcement of the 1951 Federal Budget, it became obvious that greatly increased sales and rigid control of expenses would be necessary to maintain profits under the higher corporation income tax rates. It was estimated then that a sales increase of more than 20% would be required to offset higher income taxes, provided that all other expenses could be stabilized.

In a national economy undergoing the inflationary influences of a vast rearmament programme, the rigid stabilization of all expenses was, of course, impossible.

Concurrent with increased taxation and other costs of doing business, the retail food industry met a downward pressure of buyer resistance to high prices, which intensified competition for the expendable consumer dollar.

As was inevitable under such conditions, the year saw a break in food prices, of sufficient magnitude to lower the Cost-of-Living Index.

Only the constant creation and intense application of more efficient methods could reconcile these varied obtuse influences which ensued during the fiscal year. Your Company's decentralized character, outlined on Pages 4 and 5, provided a flexibility of operation which aided adaption to the year's conditions.

Year's Growth Enabled By Employee Development Plan

Employees Wage "War on Waste"

A minute wasted here! A cent wasted there! Physical effort wasted somewhere else!

Such losses, individually, may seem insignificant, but multiplied many times over, across a widespread chain operating on fractional margins of profit, they can jeopardize the very survival of the business.

Dominion's enlightened employees, aware of this fact, unanimously declared an all-out "War on Waste"

on February 15th, 1952. A report from the "battlefront" may be found on Page 7.

MAY 23 1952

MCGILL UNIVERSITY

Dominion Stores Volume Up 34.51% to \$99,781,680; Net Also Increased

Theme Through 1951 is "Cut Food Costs"

The original food chains came into being early in the century when it was realized that multiple operation could effect economies enabling them to bring foodstuffs to the public at lower cost.

The depression brought forth a new idea in merchandising—self-service, with the elimination of credit, delivery and many other services which added to the cost of food. Many of the early self-serve food stores sold straight from packing-cases in barren premises. But they sold for less and thus fulfilled their economic purpose.

The public heartily endorsed self-service, but demanded more convenient facilities and more attractive surroundings. The result, generally, has been a constant elaboration of buildings and other extraneous factors over the past decade, with an inevitable drift away from the economic principle upon which the self-serve food store was founded.

Your Company has never lost sight of this fact: The only thing that justifies its existence is its ability to bring foodstuffs to the public at lower cost.

"Cut Food Costs at Dominion" is not just an advertising theme, but the guiding principle of our operation. In the selection of real estate, in the construction and equipping of stores, in the buying of merchandise and its handling through to the cash register, the diminution of selling price is our watchword.

A New Store Every 21 Days of the Year

It would be a prodigious feat of engineering to erect a large new store, equip it with a wide variety of electrical apparatus and display fixtures, stock its shelves with more than 2,000 different items, and surround the structure with a huge paved parking area—all in the space of 21 days.

Yet, in effect, that is what was accomplished by your Company, not once, but every 21 days throughout the entire 1951 fiscal year! During the 371 days of the fiscal year, a total of 18 new stores were built—an average of one every 20 11/18 days.

During the same period, 28 major store remodelling projects were carried out. Thus, of the 215 stores in service at the end of 1951, 46, or 22% of the total, were built or remodelled during the fiscal year.

The year's building and modernizing projects constitute the current phase of a long-range Development Programme inaugurated in 1940. Its purpose is to improve efficiency by replacing obsolete stores with large, modern, well-planned stores, and to increase the sales capacity of the chain.

A broader report on your Company's continuous Development Programme is on Pages 10 and 11.

To the Shareholders of Dominion Stores Limited:

Your Board of Directors is particularly pleased to report that Dominion Stores Limited had its biggest business year in the 53-week fiscal period ended on March 22nd, 1952. Sales, profits and dividends to shareholders were larger than at any time in the Company's history. It was another year of serving many thousands of new customers, of expanded employment and of strengthened financial position.

These are the gratifying terms in which your Board is able to report the 1951-52 operations of your Company.

The financial statements included in this report have been prepared in a form that provides a detailed and comparative review of your Company's operations, together with a series of charts graphically depicting information in which we feel sure you are interested.

Sales

The year was one of unprecedented and record-breaking sales, the eleventh successive year in which Dominion Stores Limited has established a new high in volume of business transacted.

Sales for the year ended March 22nd, 1952 (53 weeks) totalled \$99,781,680, surpassing the previous record high last year of \$74,184,854 by \$25,596,826 or 34.51%.

Net Earnings

Operating profit, after all other charges, but before income Taxes, was \$3,863,476 compared with \$3,073,098 last year; an increase of \$790,378, or 25.72%.

(Continued on page 2)

Report Designed to Cut Costs

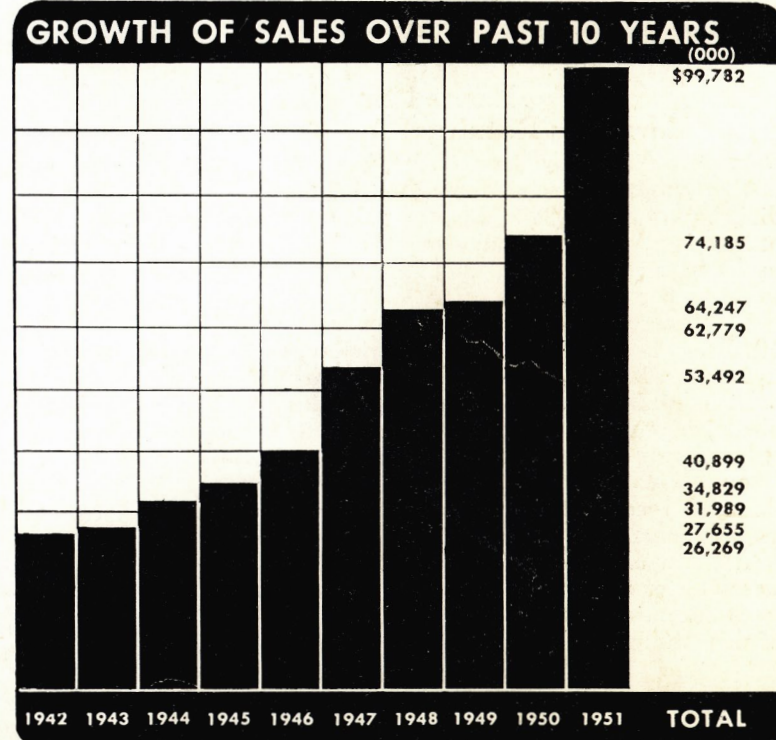
Nowadays, most progressive companies use the annual report as a medium of conveying to shareholders (and others), a comprehensive outline of the company's character, policies and objectives, in addition to the legally required statement of financial operations.

Dominion Stores Limited, for a number of years, has been a leader in the field of informative annual reporting. This year, by presenting its report in the form of a newspaper, your Company is enabled to include a vast fund of information, at a cost considerably lower than would be required to present the same story in traditional format.

Record Total in Dividends

For the tenth successive fiscal year, shareholders of Dominion Stores Limited in 1951 received an increase in dividends over the previous year, both in total of dividends paid and in dividends per share.

During the fiscal year ended March 22nd, 1952, dividends of \$630,030 were paid, equal to 50 cents per share, compared with \$590,658 or 46½ cents per share in 1950.



THE AIM

The Aim of Dominion Stores Limited is to fulfil with ever-increasing efficiency its responsibility as a distributor of food, thereby performing a satisfactory service to the consumer, producer, manufacturer and processor; to discharge its responsibility to shareholders whose investment makes the Company possible; and to provide its employees with a satisfactory living under the best possible conditions.

(Continued from page 1)

Net profit, after providing \$2,060,000 for Income Taxes was \$1,803,476, compared with \$1,723,098 last year; an increase of \$80,378, or 4.67%.

Despite the heavy burden of Corporation Income Taxes, which currently take 54¢ from every dollar of earnings, the remaining net profit, the largest in the Company's history, was equal to \$1.43 per share of stock outstanding compared with \$1.36 per share last year. It is interesting to note, however, that our 1951 earnings of \$1.43 per share would have been \$1.69 at 1950 tax rates.

A number of factors contributed to the improvement in your Company's net earnings, chief among which was, of course, the continued growth of sales volume resulting primarily from the increase in the number of Dominion Mammoth Markets and Dominion Master Markets.

Furthermore, an alertness for greater efficiency, diligently cultivated in every department of your Company, brought about worthwhile improvements in operational and merchandising methods. These factors, combined with an expense control programme, resulted in a moderate increase in net dollar profits in spite of higher income taxes and a lower gross margin percent.

The margin of net profit in the retail chain food business is, of course, characteristically small in relation to other industries. Dominion Stores' net profit per dollar of sales was 1.81 cents.

Operating Expenses

Again, a smaller proportion of each customer's dollar was needed to cover selling and administrative expenses compared with last year. This reduction in the ratio of operating expenses, before income taxes, notwithstanding significant increases in labour costs and expanded customer services, was a gratifying achievement, largely made possible by the added volume of sales and sound economy of operation.

Income Taxes

Federal and Provincial Income Taxes continue to be a major item of cost amounting to \$2,060,000 compared with \$1,350,000 last year; an increase of \$710,000, or 52.6%. In other words, the income tax load was equal to \$10,000 per store or \$824 per employee.

From operations, and the investment of many millions of dollars in fixed assets, inventories, etc., the Company earned the equivalent of \$1.43 per share but paid \$1.63 per share in income taxes, in addition to many other forms of direct and indirect taxation. For the 10-year period ended in March, 1952, your Company has paid income taxes of \$9,325,000, compared with net earnings of \$9,471,720 in the same period.

Under the prevailing tax rate of 54% your Company has to earn \$2.17 in order to retain \$1.00 of net profit.

Inventories

Inventory requirements over the years have increased very substantially due primarily to your Company's physical growth and expanding volume of business. At the end of the fiscal year inventories of merchandise and supplies amounted to \$5,294,106; an increase of \$825,748 over the previous year end.

Indicative of your Company's sound buying policies and the control of inventories at the lowest possible minimum consistent with sound business judgment, plus continued emphasis placed on rapid turnover, inventories at the year end represent a total supply of less than 15 days at present rate of sales.

Dividends

Dividends of \$630,030, equal to 50¢ per share were paid to shareholders during the fiscal year ended March 22nd, 1952. This compares with \$590,658 paid during the previous year.

Dividends were disbursed on a regular quarterly basis of 12½¢ per share on June 15th, 1951, September 15th, 1951, December 15th, 1951 and March 15th, 1952.

Earned Surplus

Earnings Retained for Business Needs

In the period since January 1st, 1940 the aggregate net earnings of the Company have amounted to \$9,742,606. During this period dividends of \$3,474,388 have been paid to the shareholders and, after other miscellaneous net adjustments of \$13,974, the balance retained in the business at March 22nd, 1952, amounted to \$6,131,551, equal to \$4.87 per share.

Earnings retained in the business over the period since January 1st, 1940, together with depreciation provisions, has enabled the Company to increase its working capital by more than \$3,300,000.

During this period your Company has invested \$7,700,000 in new plants, new retail outlets, new equipment, improvements and cost reduction measures. Actually, our expenditures for new facilities amounted to over \$13,700,000, but approximately \$6,000,000 of this was recovered from the sale of properties under lease-back arrangements, and the disposal of other properties and equipment.

The flow of funds into our business, and the uses to which they were put for each of the last two years, are summarized in the statement of Source and Application of Funds shown in the centre spread of this Annual Report.

Expansion

During the year 18 new markets were opened, 9 of which were the new Mammoth type of operation. In addition to such extensive new

construction 28 major remodelling jobs were also completed and 8 older units were closed. Thus, in the past 36 months, your Company has opened 49 new retail locations, remodelled and modernized 51 other stores and closed out 55 smaller units.

Your management's plans contemplate Dominion Store facilities in the future for many other communities where careful analysis has indicated a public desire and need for Dominion's service in efficient marketing facilities and where this can be accomplished on a profitable basis. A number of well located sites have been acquired and a beginning on building construction will be made as early as possible in 1952.

Research

While past experience is an important factor in business, its chief value in the future will be to serve as a safeguard, whereas future progress will be influenced much more by scientific research with a view to what might be done rather than what has been done. Firm in this belief, research will continue to be stressed in all phases of Company operations.

Your Company's avowed policy to cut food costs to the public through efficiency of operation and the elimination of all that impedes and hinders progress in the reduction of food distribution costs is, and will continue to be, a vital part of our aim.

Studies of ways and means to effect more economical operating techniques have been developed into worthwhile and profitable improvements. The addition last year of a professional engineer to our staff has further expanded the scope of this analytical and fact-finding arm of management.

A more recent development which will prove of significant value to your Company's future operations was the unanimous declaration of a War on Waste by the employees of your Company. The War on Waste is a "Combined Operation" of Dominion men and women who firmly believe that waste of time, money, effort and materials must be eliminated. Through the successful prosecution of this "War", all will benefit—the consumer, the Company and the men and women of Dominion.

Working Capital and Financial Resources

Working capital on March 22nd, 1952 stood at \$5,423,217. Current Assets of \$9,742,199, including cash of \$3,577,236, were 2.25 times current liabilities of \$4,318,982. Compared with a year ago, working capital reflects an increase of \$758,746. The shareholders' equity, or net worth of the Company, was \$9,805,016, equal to \$7.78 per share.

To aid in the financing of expansion, \$2,000,000 was borrowed last year under the Company's term-loan arrangement with the Bank of Nova Scotia. Since the year end, however, this loan has been repaid in full. Assisting in this repayment were amounts received from the sale of store properties and the Government's repayment in full of refundable excess profits taxes.

Because of the attractive opportunities believed present for the development of Mammoth Markets, our 1952-1955 expansion programme calls for the expenditure of approximately 10 to 12 million dollars. To facilitate the financing of this programme your Company has entered into an agreement with a group of underwriters for the sale to them of \$5,000,000, 5% Sinking Fund Debentures—Series A, to be dated May 1st, 1952 and to mature May 1st, 1972. The details of this issue will appear in the press about the same time that this report is released.

Board Changes

It is with sincere regret that your Directors record the death, since last Report, of the Honourable Lucien Moraud, K.C., LL.D. The late Senator Moraud had served your Company as a Director since 1945. We held him in high esteem and we mourn his loss.

In January 1952, the Honourable Gerald Martineau, M.L.C., became a member of the Board of Directors of your Company.

* * * * *

The steady progressive growth in your Company's 32nd year of operation has been made possible by the cordial relations, interest and co-operation of the many thousands of families whom we serve, together with our shareholders, our suppliers and our employees.

We take pleasure in publicly expressing our thanks and appreciation to all for their interest and support during the year.

On behalf of the Board of Directors,

J. WILLIAM HORSEY,
President.

HIGHLIGHTS of the Year

MARCH 28, 1951—Ten new members honoured at annual banquet of Quarter Century Club. Applause greets announcement that they will receive an extra two weeks' vacation in their 25th Anniversary Year; previous members learn that this award is retroactive.

APRIL 5, 1951—Two new Master Markets opened: 953 Ste. Foy Rd. in Quebec City, constructed by Bergerville Estates, Quebec City, and 753 Main St. in Hamilton, built by George Smith & Son, of Hamilton.

APRIL 10, 1951—Dominion's fourth Master Market in London, Ont., opened at corner of Wharncliffe Rd. and Elmwood Ave. The builder: Roy James Construction Company, of London.

APRIL 19, 1951—Master Market opened at 750 College St., Toronto. This fine addition to the Company's growing chain of stores built by the F. D. Howie Construction Company, of Toronto.

MAY 23, 1951—The Company's third large Master Market in Quebec City opened at 248 St. John Street. Not a new building, a remodelling job by Bergerville Estates makes it conform to Dominion standards.

MAY 31, 1951—The City of Hamilton has its first opportunity to view a Dominion Mammoth Market, opened at 75 Queenston Rd., a strategic location just where the Niagara highway begins. Built by Brennan Construction Company, of Hamilton.

JUNE 21, 1951—New Master Market, constructed by Louis Donolo Inc., of Montreal, opened at 230 Montreal Rd. in Ottawa's growing suburb of Eastview.

JULY, 1951—Winners of Dominion's three J. William Horsey Scholarships announced at University of Western Ontario, London.

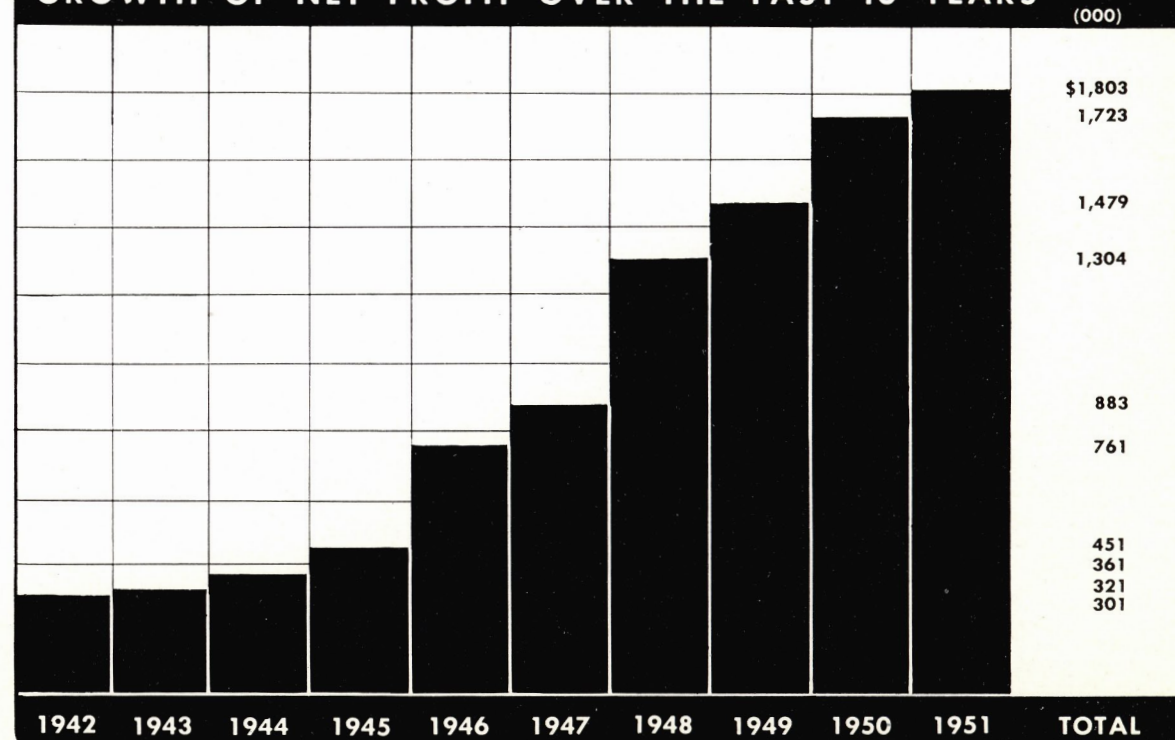
JULY 30, 1951—Eastern and Western Divisions created. A. A. J. Lewis appointed Eastern Division Manager; Ralph S. Hansford appointed Western Division Manager.

JULY 30, 1951—W. F. Capstick, Joseph Voigt and F. B. Stewart appointed District Managers respectively of Maritimes, Eastern Ontario and North-Central Districts.

JULY 30, 1951—Company growth makes necessary division of former Toronto Division into two operating Districts (Metropolitan and North-Central Ontario) and the creation of a Division Services Department to direct personnel, accounting, warehouse operations, procurement, trucking and store maintenance.

(Continued on page 3)

GROWTH OF NET PROFIT OVER THE PAST 10 YEARS



Dominion Owned by 2,537 Shareholders Representing All Walks of Canadian Life

Character of the Business Enables Shareholders to Enjoy Close Participation

The late Nicholas Murray Butler once stated that "the limited liability corporation is the greatest single discovery of modern times" and that "even steam and electricity are far less important and would be reduced to comparative impotence without it."

Certainly, the vast modern industrial structure could not have been developed under sole proprietorships or partnerships. It took the combined investments of countless thousands of people to provide the capital which has developed our natural resources and raised our standard of living. Conversely, the opportunity to invest even small sums of money in large enterprises gives people of limited resources the opportunity to profit, proportionately, from the success of such firms.

At the close of the fiscal year, a total of 2,537 people were shareholders in Dominion Stores Limited.

Almost 70% reside in cities and towns in which Dominion operates stores. These people enjoy a closer feeling of ownership than is obtainable from holding shares in, for example, a distant mine, or a heavy industry whose products are not directly purchasable by the public.

Most Dominion shareholders enjoy the unique role of being "their own" regular customers, to their own double advantage.

Owners Work At More Than 40 Vocations

That nice young school teacher who has done so much for Johnny, and whom you met at the Home and School Association meeting, may be one of the owners of Dominion Stores Limited! It is quite possible, because the most recent survey of Dominion shareholders revealed that more than 50 earn their living as school teachers.

Perhaps the engineer at the throttle of the train you last rode on was one of Dominion's owners, too. The survey disclosed that about 100 of the Company's shareholders are engineers, many in the locomotive field.

Perhaps your doctor, dentist or druggist is also among Dominion's owners. There are about 100 shareholders in these professions.

In fact, you'll find Dominion shareholders in more than 40 different vocations, in widely varied walks of life—bankers and secretaries, farmers and salesmen, ministers and manufacturers, mechanics and treasurers, labourers and lawyers. One of the printers who produced this Annual Report may be an owner of the Company! At last count there were 10 printer-shareholders.

Food is a daily necessity, and one of such major proportions that it attracts approximately 20% of the gross national income. It is natural that people earning their living in other fields should invest their surplus capital in a Company playing an ever-increasing role in supplying a growing nation's daily food needs.

Shopping at "Her Own" Store



Mrs. Charles H. Cook is the wife of a young Toronto City police detective, and the mother of a 6-year-old daughter, Linda Maureen. When she shops for food, Mrs. Cook makes only one stop—at a Dominion Store. Not just because quality and variety are unexcelled, prices are low, facilities are convenient and the store people are so friendly. In addition, Mrs. Cook has another good reason for shopping at Dominion. You see, she is one of 1,050 women who own shares in the Company. This total comprises 42% of all shareholders!

Employees, Too, Shareholders in Dominion

It is interesting to note that the number of shareholders in Dominion Stores Limited is closely parallel to the number of employees. There are 2,537 shareholders and 2,685 full-time employees.

The shareholders, by investing their money, make possible the existence of the Company and create the many jobs from which employees derive their livelihood. On the other hand, without the loyal and energetic efforts of employees, the degree of success of any enterprise is gravely minimized.

In effect, therefore, the employees of any company are also "shareholders", since they "hold" in their charge a "share" of the responsibility for success of the operation.

The rapid growth of Dominion Stores Limited, particularly over the past decade, has been due in large measure to the fact that Dominion employees recognize the share each holds, personally, in the continued progress of the Company.

One Week Equal To One Year

The weekly sales of the average Dominion Mammoth Market are greater than the annual sales of the average store in 1935, when the Company operated 489 small stores.

If...

There are 2,537 shareholders in Dominion Stores Limited. If each one enlisted, from among his or her circle of friends, neighbours and relatives, 10 new regular customers, the total would be 25,370.

If each of the 25,370 purchased the bulk of the coming year's food requirements at Dominion, such sales would total about \$25,000,000, or a 25% increase on 1951 volume!

If...

There are 2,685 full-time employees of Dominion Stores Limited. If each one enlisted, from among his or her circle of friends, neighbours and relatives, 10 new regular customers, the total would be 26,850.

If each of the 26,850 purchased the bulk of the coming year's food requirements at Dominion, such sales would total about \$25,000,000, or a 25% increase on 1951 volume!

HIGHLIGHTS of the Year—

(Continued from page 2)

JULY 30, 1951—Quarter Century Club member C. C. Hutchinson appointed Manager of Western Division Services Department.

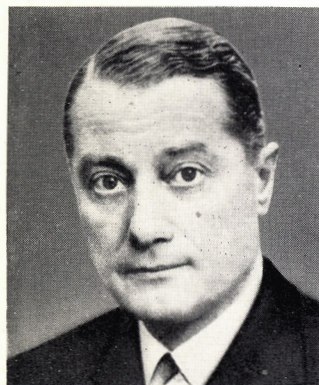
AUGUST 23, 1951—Two Mammoth Market openings take place on same day at 359 Riverside Dr., Sudbury and 8570 St. Lawrence Blvd., Montreal. These buildings constructed respectively by H. Barlow and Sons, of Sudbury, and Louis Donolo Inc., Montreal.

AUGUST, 1951—Toronto Plant co-operates with Canadian Red Cross in shipping a hurry-up order of food via T.C.A. to hurricane victims in Jamaica.

SEPTEMBER 10, 1951—N. W. Lancaster appointed Chief Accountant—a new position designed to assist Division and District Management with accounting problems.

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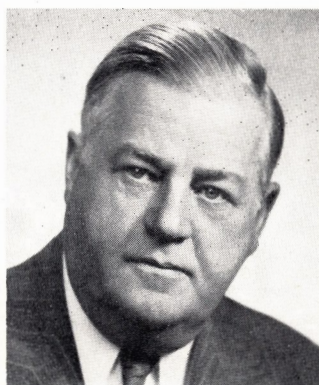
Board of Directors Elected by Shareholders



STEWART G. BENNETT



ROLPH R. CORSON
Member, Executive Committee



J. WILLIAM HORSEY
President
Member, Executive Committee



JOHN B. JAMESON



HON. GERALD MARTINEAU



M. W. McCUTCHEON, Q.C.



JOHN A. McDOUGALD
Chairman, Executive Committee



Lt.-Col. W. E. PHILLIPS



J. EDOUARD SIMARD



LOUIS D. SQUAIR
Executive Vice-President
Member, Executive Committee

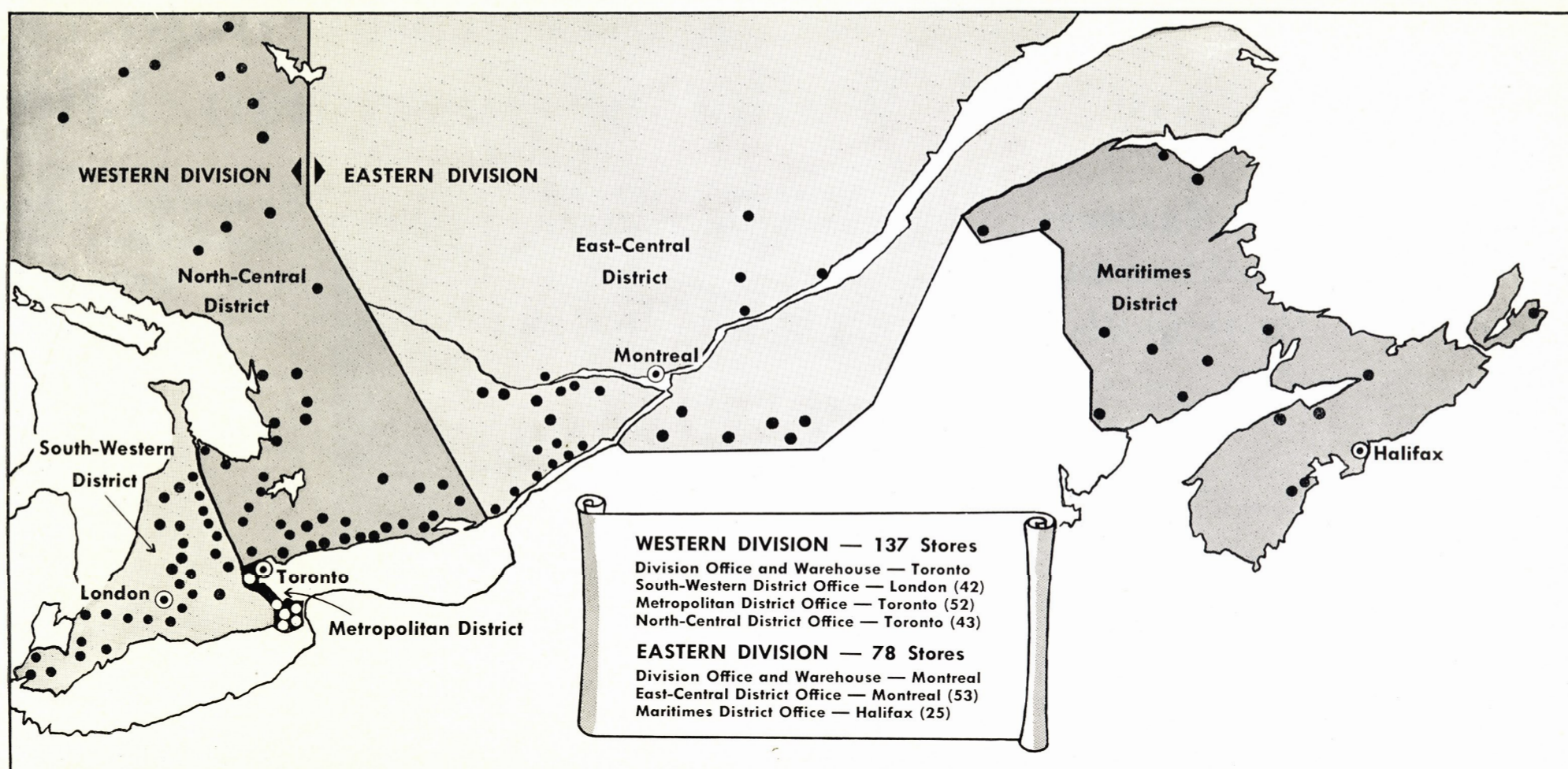


E. P. TAYLOR
Member, Executive Committee



HOWARD L. WALKER

Stores in 140 Communities Across Four Eastern Provinces



Growth Brings Creation of Eastern, Western Divisions

From the organization of Dominion Stores Limited in 1919, through to 1939, operations of the Company were administered directly from head office. Not only buying, merchandising and sales promotion, but even personnel relations, accounting, and all other phases of the widespread operation were directed from central headquarters.

In 1939, following a reorganization of executive administration, it was believed that the efficiency of the entire operation would be greatly improved, and the development of the business expedited, by a system of decentralized management.

Consequently, a number of virtually autonomous District offices were set up, each under a District Manager fully charged with the successful operation of the business, in all its phases, within his territory.

At the time of decentralization in 1939, annual sales of the Company were \$19,909,040. By the middle of the past fiscal year sales volume had reached almost five times the 1939 level. Indeed, several individual Districts were handling greater volume than the whole chain had enjoyed at the time of decentralization.

It seemed logical that, since decentralization into Districts had proved so efficacious in developing the business, the problems accruing from the resultant growth could be solved best by the same principle, i.e., an even greater decentralization.

As a result, on July 30, 1951, operations were further decentralized by creation of Eastern and Western Divisions.

The Eastern Division, with headquarters at Montreal, comprises the District operations from the Ottawa Valley through to the Maritimes. The Western Division, with headquarters at Toronto, comprises District operations throughout the balance of Southern and Northern Ontario.

Autonomy of the Districts has not been disturbed. Rather, Districts are now autonomous within a Division rather than within the entire chain. At the same time, District Managers now have, in the person of their Division Manager, an operating executive freed from routine and thus able to assist them in analysis of operations, planning and overall strategy, and providing a direct and intimate link with the executive administration of the Company.

To head the newly created Divisions, President J. William Horsey promoted two men with long and highly successful records as operating executives. Ralph S. Hansford, formerly Toronto District Manager, was appointed Western Division Manager. A. A. J. Lewis, formerly Maritimes District Manager, was appointed Eastern Division Manager.

Concurrently Mr. Hansford and Mr. Lewis were appointed members of the Company's Administration Committee, previously composed of officers only.

HIGHLIGHTS—

(Continued from page 3)

SEPTEMBER 13, 1951—Maritimes' first Mammoth Market opened at Dartmouth, N.S. The contractor: Harbour Construction Company, of Dartmouth, N.S.

SEPTEMBER 27, 1951—Master Market opened at St. John, Quebec, built by Romeo Poutre, of St. John.
 (Continued on page 5)

Daily Efficiency, Capacity for Growth Promoted By Unique System of Management Through Committees

The term "Management" generally conjures up the picture of a small group of executives directing the affairs of an enterprise by edict. In many companies, even large ones, this common conception is true.

In the operation of Dominion Stores, the term "Management" embraces more than 100 people!

That does not mean that direction of your Company's affairs is in the hands of a single, large, unwieldy executive group. On the contrary, it means that the multifarious problems of management have been divided in a way that brings more direct and more appropriate attention to bear on each specific problem.

Under the governorship of the Board of Directors, eight committees

comprise the management group of Dominion Stores Limited. Each is separate and distinct in its functions, yet all are integrated through interlocking memberships, in a way that ensures an overall singleness of purpose.

As the elected representatives of the shareholders, the 12 members of the Board of Directors form the supreme governing body of the Company.

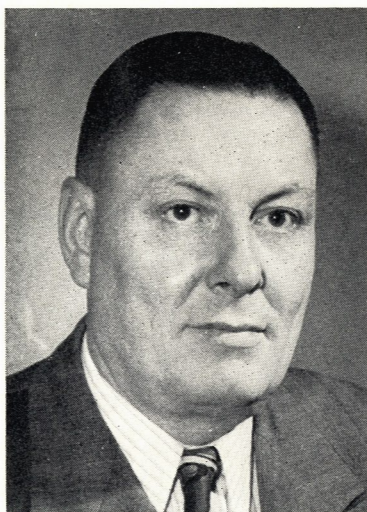
Five members of the Board constitute the Executive Committee of the Board of Directors, serving to streamline the work of the Board and to expedite its decisions.

Two members of the Executive Committee of the Board, President J. William Horsey and Executive

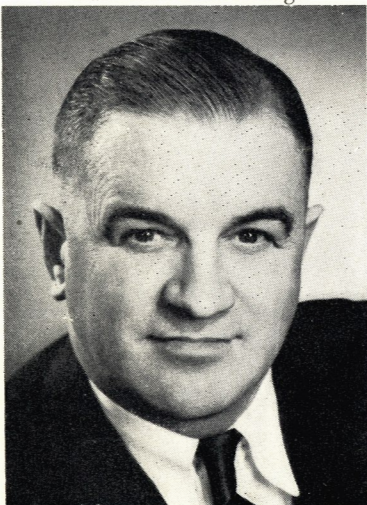
Vice-President L. D. Squair, join with other officers of the Company, and the two Division Managers, to form the Administration Committee. This group examines financial and corporate matters, analyzes operating reports, formulates major policies and develops long-range plans.

All members of the Administration Committee join with the five District Managers to constitute the Management Committee, which includes also the heads of the Advertising, Supply, Personnel and Legal Departments. This group formulates and reviews Company policy, and operating practices common to more than one District; develops Company-wide sales promotion, educational and
 (Continued on page 5)

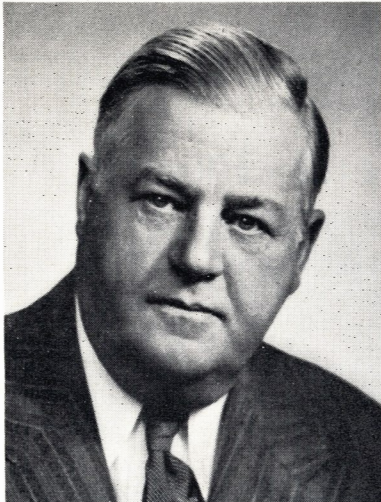
Officers of the Company



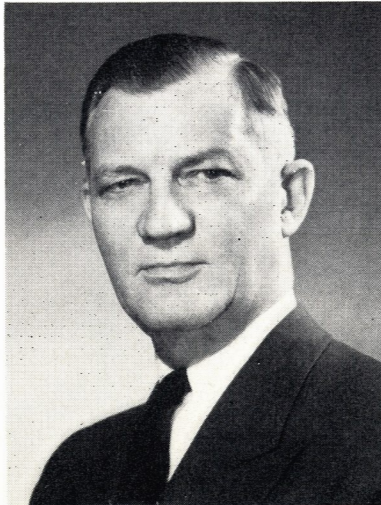
A. A. J. LEWIS
Eastern Division Manager



R. S. HANSFORD
Western Division Manager



J. WILLIAM HORSEY
President



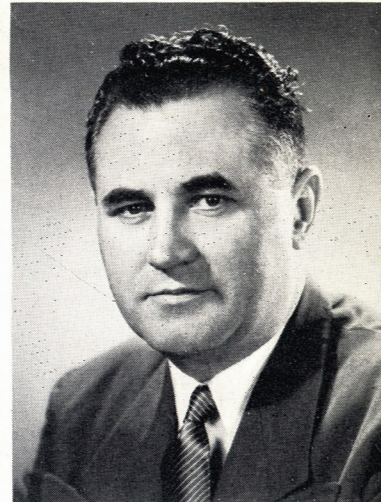
C. W. FOSTER
Vice-President



LOUIS D. SQUAIR
Executive Vice-President



T. G. McCORMACK
Vice-President and Treasurer



IVOR CRIMP
Executive Vice-President



A. A. BEEVOR
Secretary

Officers, Division, District, Department Heads Form Management Committee

At ten o'clock on a Tuesday morning, once every quarter, 18 men walk into the board room at Dominion's General Office and begin a two-day session of policy-making and discussion of operational problems. This is the central Management Committee of the Company.

A company may have an impressive list of policies, but unless those policies are carried out, the company will fall short of success. At Dominion Stores the Management Committee is insurance against any such failure to secure follow-through in operations. In this Committee, the men who will be responsible for implementing a given policy, share fully in making that policy. They have the opportunity to contribute their thinking and because of the democratic give and take in the meetings, it is usually possible for the group to come to unanimous decisions. And because every member, through question and cross-question, discussion and interpretation, has completely cleared his own thinking on the matter, there is little chance of misunderstanding or misinterpretation of the Committee's decisions.

This clarification of purpose and objective obviates breakdown in implementation of policy, which often occurs in companies where Management attempts to convey policy by directive.

The subjects which are to appear on the agenda of the Committee's meetings are very carefully selected. They must be sufficiently important to warrant the attendance of so many of the Company's top executives. Past experience has proved to Management that it is a good investment to withdraw these men from their daily responsibilities for two full days, plus travel time in some cases. A glance at the Agenda of the meeting held in January of this year shows why it is considered so valuable. The Committee received progress reports on seven major projects which had been implemented since the previous meeting. Six Company policies were reviewed for the purpose of making sure that they continued to meet the requirements of changing conditions. Adjustments

(Continued from page 4)

training programmes; and provides a forum for broadening the corporate knowledge of key personnel.

The committees outlined above define the overall objectives of the Company and establish policies and plans. The implementation of these policies and plans rests with the Company's five operating Districts, each of which is autonomous within its territory. Each District Manager, who as a member of the Management Committee has had an active part in formulating policy, heads up a District Management Committee charged with achievement of the Company's goals. It includes the Merchandising Manager; Grocery, Meat and Produce Merchandising Managers; Office Manager, Personnel Manager, Zone Managers, Supervisors and Managers of larger stores.

Your Company's unique system of management through interlocking committees serves not only to ensure flow of direction downward, but also to draw up from all levels of the Company a flow of information and ideas which furthers the day-to-day efficiency of the Company and expands its capacity for growth.

Rotating Chairmanship

For a number of years, chairmanship of Management Committee meetings was alternated between Executive Vice-President Ivor Crimp and Vice-President C. W. Foster. During the past year, a policy of rotating the chair among other members of the Committee was inaugurated, to broaden the executive experience of key personnel. In addition to convening the two-day session, chairmanship involves planning of the comprehensive agenda.

were made where necessary. Eleven new items were given full discussion, including the special needs of Mammoth Market operation, revisions in advertising policy to cope with expansion and increased volume, control of expense, the effects of new government regulations on retail price maintenance, and various personnel matters.

The Management Committee at Dominion is an example of teamwork in action. The President of the Company, who is a working member of the team, looks upon it as a good team for the business today and as a form of insurance for the future. "From among the members of this team which is doing such an excellent job of running our business today," Mr. Horsey said recently, "will come men well equipped to take on the future responsibilities of top management positions."

HIGHLIGHTS—

(Continued from page 4)

SEPTEMBER 27, 1951—Ivor Crimp appointed an Executive Vice-President.

NOVEMBER 15, 1951—First issue of tabloid-size weekly consumer newspaper, "The Mammoth Market," distributed to homes in vicinity of Toronto and Hamilton Mammoth Markets.

NOVEMBER 15, 1951—Mammoth Market opened at Long Branch, Ontario, built by the Brennan Construction Company, Hamilton.

NOVEMBER 29, 1951—"Baby" Mammoth Market opened at Granby, Quebec. Constructed by Berger-ville Estates, of Quebec City.

(Continued on page 10)

Operations Decentralized Through Five District Offices—Many Advantages Gained

Local Buying Cuts Costs

It is the function of your Company to buy foodstuffs from farmers, processors and packers, and to make them available to the public at the lowest possible cost.

In short, our function is distribution. Our responsibility lies in performing this function with the utmost efficiency, to the benefit of the public.

It is no simple task to keep 215 stores supplied every day with more than 2,000 different items, many of them perishable or seasonal. Especially when the stores are spread over four provinces, in 140 cities and towns, serving people of varying needs and preferences.

Your Company greatly increases the efficiency of its operation through decentralization. In effect, Dominion operates as five distinctly separate distribution organizations, each buying and selling according to the needs and preferences of consumers in the territories they serve.

Decentralization serves to reduce the cost to consumers in many ways. Patronage of local suppliers minimizes inventories. It reduces transportation costs. It builds local supplier goodwill, often resulting in mutually beneficial delivery and price arrangements.

Merchandising men in each District work in close harmony with buyers, to determine what products and brands are popular in each specific area, and to procure them at a fair price.

This further reduces cost of distribution, obviating the wasteful stocking of unpopular merchandise.

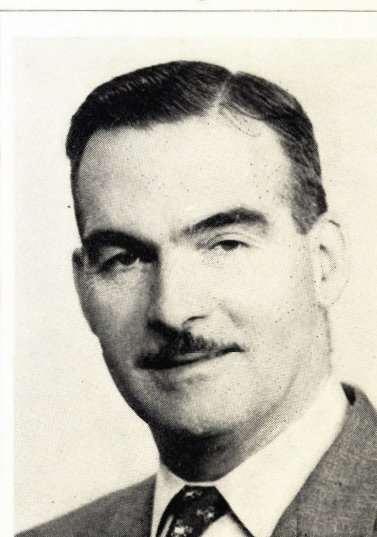
In employee development, accounting, public relations, advertising and many other phases of operation, decentralization increases efficiency and lowers the cost of food. Progress of the Company since inauguration of decentralization in 1939 bears testimony to its merits.

Streamlined Supply Depots

Uninitiated visitors to your Company's huge, modern warehouses at Toronto and Montreal often gain a false first impression that huge future stocks of merchandise are being held in storage.

They continue on to the assembly line and see a continuous stream of large and varied "store orders" being filled with scientific despatch.

Then they realize that these vast buildings are not storage plants, but assembly and distribution depots,



E. C. HILLIER
Supply Co-ordinator

Quality Control Continuous

Successful operation of food stores is dependent on customers being satisfied with their purchases, and for this reason the quality of the merchandise we sell is of primary importance.

The control of quality is a function that goes on day after day, week after week, to ensure that the merchandise we sell is as represented.

Candling of eggs, ripening of bananas, testing of butter, examination of canned goods, maturing of cheese, tasting of tea and coffee, maturing of beef and even chemical analysis of some products are but a few of many safeguards instituted to control the quality of the foods sold at Dominion Stores.

Scientific Traffic Management

The cost of transportation has a tremendous effect on the eventual price of food to the consumer, and steadily rising freight rates necessitate intense study of this factor in distribution costs.

A modern Traffic Department is maintained to study all phases of forwarding—rail, truck, boat and even boat-and-rail. The large economies reflected in efficient transportation aid in the final objective of cutting food costs by elimination of unnecessary expense.

planned and mechanized for the most efficient and economical forwarding of supplies to stores.

In addition to the two main warehouses, a number of secondary depots are maintained.

Co-ordinated for Efficiency

While the benefits of decentralized purchasing are manifold, to assist District procurement personnel a Department of Supply Co-ordination is located in Toronto.

From this department a constant flow of information tells all District buyers of market conditions, special sales promotions by suppliers, availability of various products, new items being marketed; in fact all information that has value when purchasing merchandise.

The Supply Co-ordination Department is at the service of all suppliers and is valuable to them when they wish to discuss problems of supply involving all our stores. Many manufacturers outline their plans for new items or new packages to secure an opinion from the retailer's viewpoint. Future advertising plans are outlined by suppliers so that we may co-ordinate our efforts to obtain maximum results.

Governmental agricultural officers consult the department regarding problems of over-supply, and primary producers are always welcome to discuss the marketing of their products. On many occasions, the whole selling force of all our stores has been enlisted to assist in moving into consumption a surplus of agricultural commodities.



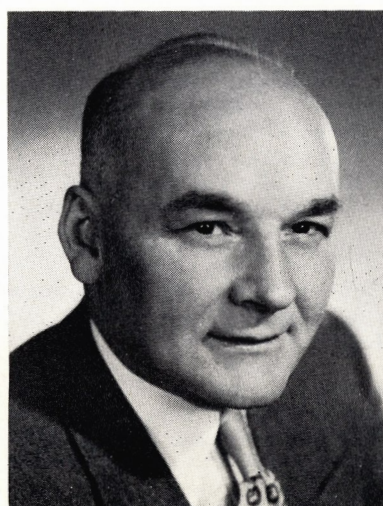
C. C. HUTCHINSON

The Western Division Services Department, under C. C. Hutchinson, directs all non-selling functions such as personnel, accounting, warehouse operations, procurement, trucking and store maintenance, for the Division.

District Managers Total 145 Years of Food Chain Experience



W. F. CAPSTICK
Maritimes District Mgr.



F. B. STEWART
North-Central District Mgr.



JAMES VAIR
South-West District Mgr.



JOSEPH E. VOIGT
East-Central District Mgr.



S. T. WATSON
Metropolitan District Mgr.



District Management Committees Include Key Field Personnel

At the left, H. R. Lockhart, Manager of the large, modern Dominion Master Market on King's Square, Saint John, N.B., receives a visit from R. H. Jardine, Stores Operation Manager. Below (seventh and eighth from the left) both men sit in on a meeting of the Maritimes District Management Committee at Halifax, N.S., convened by District Manager W. F. Capstick. This is typical procedure at meetings of the District Management Committees in each of our five Districts. Key field personnel—managers of large stores, supervisors and zone managers—join with District Office department heads in regular conferences. Policies and plans of the Company are outlined by the District Manager, who as a member of the Management Committee has helped to frame them. Question and discussion ensure full understanding of the Company's objectives by the men charged with turning theory and plan into action. The District Management Committees are not, however, mere "rubber stamp" groups. They have wide scope for creative action within their District operations. Nor is communication a one-way channel from above. Many of the policies now in effect across the chain were originated in District groups and passed on for consideration by the Company's Management Committee.



District Personnel Offices Localize Labour Relations

At Dominion, each employee is considered as an individual person. To be able to do this, the Company has to know its people. Obviously it is not possible for the President personally to know all the employees, spread as they are from Lake Huron to the Atlantic Ocean. This obstacle to personal knowledge of employees is overcome in large measure by the decentralization of the organization. Just as the merchandising operations are performed on a local basis for maximum efficiency, so, also, are the personnel functions.

In each of our Districts there is a Personnel Department headed by a Personnel Manager. The Personnel Manager's duties fall mainly

into two parts. His first job is to know the people in his districts. To do this, he visits the various stores as often as he can, assisting the operating supervisors with their personnel problems. These problems are many and varied. An employee may need help in preparing a Group Insurance claim—or want an explanation of our Pension Plan—or want to know how the vacation-with-pay plan works—or want a transfer to another town because her family is moving, or want to know when he will receive a promotion.

The second portion of the Personnel Manager's job is to see that accurate records are kept of the progress and ability of each employee, so that when promotions and transfers are being planned, he will be able to give his District Manager a complete list of all those eligible for a move, and assist in establishing the relative merits of each person involved.

With his specialized knowledge of personnel, and his personal knowledge of the people in his district, the Personnel Manager is able to render a unique service to the supervisory staff in helping them in the placement and handling of people. By this decentralization of Personnel Administration, Dominion Stores Limited is able to humanize its approach to employee relations.

District Personnel Managers are W. A. Murray, London, Ontario; F. E. Hudson, Toronto, Ontario; E. F. Caven, Montreal, Quebec; and F. R. Smith, Halifax, N.S.



E. C. WENT
Director of Labour Relations

Observers

From time to time, District Managers invite various individual members of their respective District Management Committees to sit in as "observers" at one of the two-day Company Management Committee meetings. This brings broader "field" reactions to Management and furthers the executive training of key personnel.

75 Members in 25-Year Club

With a membership of 75 men and women, all with more than 25 years of service and some with as many as 32, Dominion's Quarter Century Club represents centuries of accumulated experience which contributes to the stability of the Company and which is being passed on each day to new and less experienced employees. All departments of the Company benefit, for all are represented in the membership of the Club—offices, warehouses, stores and supervision.

Tangible recognition marks 25 years of service to Dominion. This takes the form of a certificate, a pin, an extra two weeks' vacation with pay, and a cheque for \$100.

At this year's annual banquet in the Royal York Hotel, Toronto, nine new members were received into the Club and presented with these tokens of appreciation.

Pension, Insurance, Hospital Plans Promote Security

The desire to provide security against the hazards of illness and death is strong in the minds of most people. However, it is very difficult for many people to provide this for themselves and their families without some assistance. The contributory group life and health insurance plan at Dominion provides the answer for its employees.

The plan was inaugurated in 1920 and has been expanded over the years, as the Company progressed, until now the employees have complete coverage, as follows:

Life insurance	
Total and permanent disability benefits	
Accidental death and dismemberment insurance	
Weekly sickness and accident benefits	
Daily hospital expense benefits	
Special hospital fees benefits	
Surgical operation benefits	
Physician's attendance benefits	
During the past fiscal year, life and health insurance claims amounting to \$46,218 were paid out to 287 employees or their beneficiaries.	
Here is a break-down of the amount:	
Life insurance claims.....	\$ 8,421
Total and permanent disability benefits.....	3,448
Accidental death and dismemberment benefits....	3,011
Weekly sickness and accident benefits.....	14,139
Hospitalization, surgical, physician's attendance and special hospital fees benefits.....	17,199

In order to assist employees to provide for their retirement, Dominion inaugurated a pension plan in 1944, which was broadened in October, 1951.

Some of the salient features of the present plan are as follows:

The basic pension is 30% of the employee's basic pay rate at the time of entering the plan.

The pension is purchased by the joint contribution of both the employee and the Company. The employee contributes 3% of his basic rate of pay and the Company contributes the balance required to purchase the amount of the pension.

Normal pension age for men is 65; for women, 60.

Provision is made for equitable adjustment should employees leave the services of the Company, die prior to retirement on pension, or die after less than 10 years on pension. A total of 508 employees are now enrolled in the pension plan, and with the help of the Company, are systematically making provision for their years of retirement. Ten former employees are now on pension, their lives made happier and more secure through the benefit of Dominion's pension plan.

While Dominion has provided these and other benefits for the security and well-being of its employees, it has continuously stressed that employee security does not rest on these plans. Rather, security rests on the continued progress of the Company which makes such benefits possible.

"There's a Future at Dominion Stores" Confident Belief of 2,685 Employees

All-Out "War on Waste" Approved by All Employees

Late in January, the Management Committee of Dominion Stores Limited, in reviewing the operating position of the business, found cause for concern in the mounting cost of doing business.

The thought was expressed that while many expenses were uncontrollable, there was a hidden expense, not on the books, the elimination of which could offset many uncontrollable cost increases. That hidden expense was defined as "Waste—the waste of time, the waste of money, and the waste of effort."

In many companies, such a theoretical discourse would have ended there.

Because of your Company's system of interlocking committees and the principle of two-way communication, the need for elimination of waste was soon being discussed in stores, warehouses and offices, all across the chain. Discussion made it plain that every elimination of waste serves to reduce the cost of food and promotes the progress of the Company, to the ultimate benefit of every employee through greater job security and opportunity.

The spontaneous action was electric! A flood of letters reached District Managers and department heads from store managers, foremen and spokesmen for other employee groups, pledging enthusiastic support to a personal and co-operative effort to reduce waste. One by one, District and Department heads passed the encouraging news on to President J. William Horsey.

On February 15th, supported by the voluntary enlistment of 100% of employees, the President announced official declaration of an all-out "War on Waste."

It is not expected that victory will soon be won. Rather, "War on Waste" will be a continuing battle to lower the cost of food distribution. Men in key positions will lead and inspire, but, as in any other war, the turn of battle will hinge on the determined action of the rank and file.

If early reports from the front are a criterion, many notable advances will be made. In one District alone, more than 200 suggestions have come from junior employees. All along



Colourful posters in offices, warehouses and "behind the scenes" in all stores encourage "Friendly Courtesy".

"The Signpost" Links Family

Twelve times yearly "The Signpost," a newsy four-page paper, reaches all Company employees. When a new store opens in Dartmouth, N.S., men and women in Windsor, Ontario, know about it and are in a position to tell people they meet that they work for a progressive, expanding Company. Whether they work in a large or small store, in an office or a warehouse, they know about Dominion's development.

The paper also serves to keep Dominion employees informed about appointments, promotions and interesting activities of their fellow employees.

the line, Dominion's 3,000 men and women are on the march, routing out waste of time, waste of money, and waste of effort, wherever they are found.

Development Plan Trains Future Leaders

In an address delivered to the Hamilton Chamber of Commerce in November, President J. William Horsey asked two questions of his audience: "Do you realize how important the development of people is to a business?" "Do you realize that there can be no further physical development in most businesses until more people capable of manning the job efficiently can be produced?"

This is a subject to which the Management of Dominion Stores Limited has devoted a great deal of thought and study. They have found the answer in the Employee Development Plan.

Within this plan, a "long-range objective" is set up for every senior employee in the Company, and the employee is assisted in his personal development by a Committee of his superiors who review his progress annually.

In the period of expansion which Dominion Stores is experiencing at the present time, this method of employee development, tailor-made to fit the requirements of individual employees, has stood the Company in good stead. As stores have opened, as jobs have developed, trained staff members have been ready to step into them. It is interesting to note that a survey made six months after the opening of one of the Company's Mammoth Markets disclosed the fact that a single store opening had set up a chain reaction of seventeen key promotions.

"Friendly Courtesy" Helping to Build The Business

A chain-store man said recently: "Self-service has not changed by one iota the fundamental point of all trade—good relations with the customer."

Who was the philosopher who coined this profoundly truthful statement? The President? One of the officers or executives of the Company? No, it was Jean Roy, manager of the produce department in one of your Company's Montreal stores, in an article published in Dominion's employee publication, "The Signpost."

Mr. Roy is right in that self-service has not changed the need for good relations with the customer. Self-service, and widespread chain operation have, however, made personal contact with the customer less frequent, and personal interest in her welfare less common.

Several years ago, Dominion Stores Limited made "Friendly Courtesy" an official policy of the Company. Since then, a continuous campaign of employee education and training has been conducted, aimed at making "Friendly Courtesy" second nature to every Dominion employee.

To the staff of a Dominion Store there is nothing vague or theoretical about "Friendly Courtesy." It's not just a phrase they read on posters in the back room. Each individual knows that friendly attitudes and courteous actions make shopping more pleasant for our customers. They know what this means to their own and the Company's success. They know, too, through training, of specific times and places and ways, in their daily job, how they can demonstrate "Friendly Courtesy."

Proof of the success of this campaign was disclosed in an independently conducted survey last February. It disclosed that Dominion is preferred to all other chains insofar as courtesy of its staff is concerned.



Dominion offers young people the opportunity to build a career in the food business, earning as they learn on the job. Above, young Nick Topolinski learns from Produce Manager Lloyd Dempster, how to trim a cauliflower for display. From such fundamentals Nick may progress, through daily training and experience, to run the produce department of some future Dominion Store.

Happiness—A "Must" in Business

People concerned with Management cannot afford to overlook the importance of the attitudes of individuals.

With this fact in mind, Management Committees throughout the Company placed the subject of attitudes on their agendas at a meeting during the past year. They determined to make a conscious attempt to find ways in which they could maintain and expand a working atmosphere in which ideas flourish, in which enthusiasm and pride in doing a good job develop, and in which people can face difficulties and problems as challenges, and concentrate on solutions rather than on difficulties.

Going hand in hand with the feeling that a happy atmosphere is necessary if men and women are to do their best work, was the realization that at the same time Management and all the Company employees are engaged in doing a serious job.

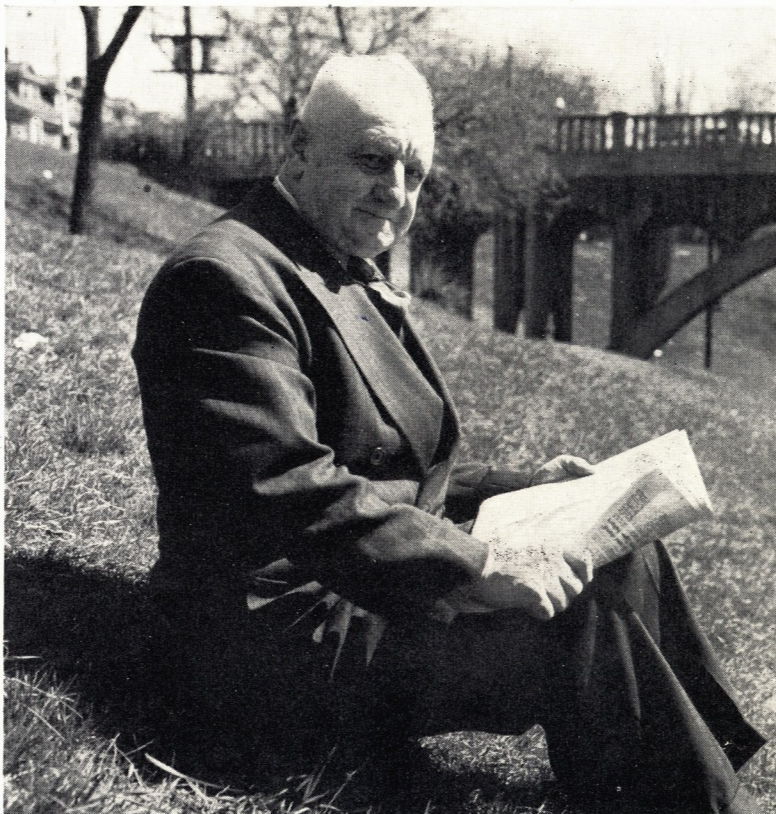
Out of this realization was coined the slogan, "Happiness—a 'Must' in a Serious Business". It is the belief of those at all levels of Management that Company and employees alike stand to gain when individuals so conduct themselves that they create for the benefit of others as well as themselves an atmosphere of friendliness, co-operation and enthusiasm.

Bills—But No Worries!



A few months ago, F. R. Abercrombie, Manager of the Dominion Store at Collingwood, Ont., entered the local hospital for an abdominal operation. He is able to smile at his pretty nurse as she takes his pulse, because he has no worries about the many expenses of his illness. His group insurance policy, as a Dominion employee, covers his hospitalization, surgery, physician's attendance, and weekly sickness pay.

Retired—But No Worries!



Dan Madigan, for a number of years an employee in a Dominion warehouse, soaks up spring sunshine in Bellwoods Park, adjacent to his Toronto home. Mr. Madigan is one of 10 former Dominion employees now on pension. More than 500 present employees are now providing, with the help of the Company, for similar security in their years of retirement, through Dominion's pension plan.

COMPARATIVE BALANCE SHEET AS AT 22ND MARCH 1952 AND 17TH MARCH 1951

	ASSETS	22nd March 1952	17th March 1951
CURRENT:			
Cash		\$ 3,577,236	\$ 2,019,954
Accounts receivable (less reserve)		103,636	59,952
Amounts recoverable on sale of store properties		475,000	1,796,932
Refundable excess profits tax		136,580	248,819
Merchandise—valued at the lower of cost or market		5,294,106	4,468,358
Prepaid expenses		155,641	95,339
Total current assets		9,742,199	8,689,354
FIXED (at cost):			
Store, warehouse and office equipment		5,137,216	3,734,588
Buildings		2,208,889	1,593,998
		7,346,105	5,328,586
Less: Reserves for depreciation		1,922,924	1,586,540
		5,423,181	3,742,046
Land		958,618	225,053
Net fixed assets		6,381,799	3,967,099
		\$16,123,998	\$12,656,453

Approved on Behalf of the Board,
J. WILLIAM HORSEY, JOHN A. McDOUGALD,
Directors.



ASSOCIATED WITH
SCOVELL, WELLINGTON & CO.
ACCOUNTANTS AND AUDITORS
UNITED STATES OF AMERICA
AND
COOPER BROTHERS & CO.
CHARTERED ACCOUNTANTS
GREAT BRITAIN - EUROPE
SOUTH AND EAST AFRICA
SOUTHERN RHODESIA
AUSTRALIA - NEW ZEALAND

McDonald's
Chartered

MONTREAL QUEBEC OTTAWA
SHERBROOKE VANCOUVER
HAMILTON ONTARIO

AUDITORS' REPORT

We have examined the balance sheet as at 22nd March 1952 and the statement of income and expenditure for the year ended on that date and have obtained such information as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and statement of income and expenditure are properly drawn up and give a true and fair view of the state of the affairs of the company at the end of the year and of its operations for the year ended on that date.

12th May, 1952

STATEMENT OF INCOME AND EXPENDITURE

	For the years ended 22nd March 1952*	17th March 1951
SALES	\$99,781,680	\$74,184,854
COST OF GOODS SOLD:		
Opening Inventory	4,468,358	3,569,847
Add: Cost of merchandise and supplies	84,937,560	63,182,655
	89,405,918	66,752,502
Deduct: Closing Inventory	5,294,106	4,468,358
Cost of goods sold	84,111,812	62,284,144
EXPENSES:		
Employees' salaries and benefits	8,170,624	6,132,477
Rent, light, heat, telephone, laundry, repairs and maintenance	1,815,613	1,220,454
Other expenses, including advertising	803,987	711,593
Executive remuneration	345,358	299,832
Depreciation on buildings and equipment	416,971	294,137
Business taxes, licences and insurance	243,688	180,391
Directors' fees	11,500	12,000
Legal fees	2,529	4,957
Total expenses	11,810,270	8,855,841
Deduct: Interest earned	3,878	28,229
Total Cost of Goods Sold and Expenses	95,918,204	71,111,756
INCOME TAXES	3,863,476	3,073,098
NET PROFIT	2,060,000	1,350,000
	\$ 1,803,476	\$ 1,723,098

*53 weeks



FINANCIAL FACTS

SALES	.....
NET EARNINGS	.....
—Equal per sale dollar to	.....
—Equal per share to	.....
DIVIDENDS	.....
—Equal per share to	.....
EARNINGS REINVESTED IN THE BUSINESS	.....
CURRENT ASSETS	.....
CURRENT LIABILITIES	.....
WORKING CAPITAL	.....
SHAREHOLDERS' EQUITY	.....

Number of stores at year end.....

UNION STORES LIMITED

17TH MARCH, 1952 AND 17TH MARCH, 1951

	22nd March 1952	17th March 1951
LIABILITIES		
CURRENT:		
Accounts payable and accrued expenses	\$ 2,602,809	\$ 2,233,284
Amounts payable on store properties under construction	70,028	680,372
Income taxes	1,279,868	869,142
Sundry taxes	366,277	242,085
Total current liabilities	4,318,982	4,024,883
DEFERRED:		
Bank Loan due 30th June, 1953 (secured)	2,000,000	—
CAPITAL STOCK:		
Authorized—4,000,000 common shares without nominal or par value.		
Issued and fully paid—1,260,056 shares	3,673,465	3,673,465
REINVESTED EARNINGS (Earned Surplus):		
Balance at beginning of the year	4,958,105	3,825,665
Net profit for the year	1,803,476	1,723,098
	6,761,581	5,548,763
Less: Dividends	630,030	590,658
Total reinvested earnings	6,131,551	4,958,105
	\$16,123,998	\$12,656,453

NOTE: Subsequent to the date of the balance sheet the Company has created and agreed to sell debentures in the principal amount of \$5,000,000 and has repaid the deferred bank loan of \$2,000,000.

Currie & Co.
Accountants

400 WEST TORONTO SAINT JOHN
KIRKLAND LAKE MONCTON
CHARLOTTETOWN
TELEPHONE PLAZA 2551
CABLE ADDRESS "CURMAC"

80 KING STREET WEST
TORONTO

TO THE SHAREHOLDERS

Sheet of Dominion Stores Limited as at
of income and expenditure for the year
all the information and explanations we
made a general review of the accounting
records and other supporting evidence
circumstances.

Balance sheet and statement of income
so as to exhibit a true and correct view
of the year as at 22nd March 1952 and the results
of that date, according to the best of our
knowledge to us and as shown by the books of

W. Donald Currie
Chartered Accountants

RESULTS AT A GLANCE

	Fiscal Year 1951	1950
Net Profit	\$99,781,680	\$74,184,854
Depreciation, sales and retirement of property and equipment	\$ 1,803,476	\$ 1,723,098
Bank loan	.018c	.023c
	\$ 1.43	\$ 1.36
Capital expenditures	\$ 630,030	\$ 590,658
Dividends to shareholders	.50c	.467c
Resulting in an increase in Net Working Capital of	\$ 1,173,446	\$ 1,132,440
	\$ 9,742,199	\$ 8,689,354
	\$ 4,318,982	\$ 4,024,883
	\$ 5,423,217	\$ 4,664,471
	\$ 9,805,016	\$ 8,631,570
	215	205

SOURCE AND APPLICATION OF FUNDS

	For the years ended 22nd March 1952	17th March 1951
SOURCES OF FUNDS:		
Net Profit (after income taxes)	\$1,803,476	\$1,723,098
Depreciation, sales and retirement of property and equipment	2,302,068	2,173,041
Bank loan	2,000,000	—
	6,105,544	3,896,139
USED AS FOLLOWS:		
Capital expenditures	4,716,768	3,130,049
Dividends to shareholders	630,030	590,658
	5,346,798	3,720,707
Resulting in an increase in Net Working Capital of	\$ 758,746	\$ 175,432
ACCOUNTED FOR AS FOLLOWS:		
Cash on hand and in banks	\$1,557,282	\$ 127,299*
Receivables	1,278,248*	492,031
Inventories	825,748	898,511
Other	51,937*	6,235*
Increase in Current Assets	1,052,845	1,257,008
Less: Increase in current Liabilities	294,099	1,081,576
	\$ 758,746	\$ 175,432

*Denotes reduction

**18 New Stores Opened,
28 Others Remodelled**

10,000 Cars!

At Dominion, provision of customer parking space is not considered as something incidental to the store. Rather, the very choice of sites, the location of buildings on properties, and even the design of buildings is predicated on studies of parking requirements. The 18 new stores opened in 1951 have a total of 628,533 square feet of paved parking area, enough to handle 10,000 cars per day!

Windsor, Ont. Master Markets were opened in Quebec City (2), Granby and St. Jean, Que., Eastview (Ottawa), Toronto, Hamilton, Stratford and London, Ont.

In line with Dominion's policy, local architects, contractors and materials were employed wherever possible. Thousands of man-hours of employment were created for local plumbers, carpenters, masons, electricians and other tradesmen. Each new building, with large off-street parking, creates an improvement in land values in its neighbourhood and brings the principle of low-cost food distribution to the community.

The remodelling of existing stores to incorporate new, more efficient facilities is an integral part of your Company's continuous Development Programme. During the past fiscal year, 28 major and many secondary remodelling projects were completed.

products are now a major item, providing substantial volume to the merchandiser who provides a wide choice of brands and formulas, displayed conveniently to accommodate conventional canned goods. Your Company's Fixture Department designed comparatively shallow and closely-spaced shelving which has proved highly efficient.

In Mammouth Markets and other large stores, great public demand has been created for a wide variety of household items, kitchen utensils, etc. Naturally, conventional food product fixtures are inadequate for the display of such merchandise. Your Company's Fixture Department designed and built special fixtures, such as the one illustrated at the right (bottom). It facilitates stocking and price-marking and invites purchase through attractiveness and ease of selection.

The modern food store requires electrically operated cash registers, refrigerated daily fixtures, refrigerated meat service counters and self-serve meat displays, modern meat and produce scales, power-driven rooms, coffee mills, lighting fixtures, etc., and an assortment of motors and compressors to operate and control the wide variety of apparatus. Your Company maintains an Equipment Buying Department to facilitate the economic purchase of all equipment, on the basis of efficiency of operation and economy of maintenance.

A black and white portrait of a man with a beard, wearing a suit and tie, looking directly at the camera. The image is oriented horizontally on the page.

Of Great Variety of Food Products . . .

And Many Related Household Items

And Many Related Household Items

"Fair Dealing" Keystone of Public Relations Programme

"This is the first time in over twenty years of shopping at your stores that I have made a complaint and the way the matter was cleared up within a few minutes was outstanding. The entire personnel have always been most courteous in every way and shopping in your stores is just a pleasure."

That is a quotation from a letter received several months ago from a customer in Sherbrooke, Quebec. The customer, who had found an unsatisfactory item of merchandise in her order, drew it to the attention of Manager Romeo Berthiaume when she next visited the store and a refund was made immediately.

The Dominion Store in Sherbrooke is only one of 215 stores in the Company and the letter which is quoted above might have been received in any one of them because it refers to a policy which is practised throughout the chain. It is Dominion's "Unconditional Guarantee of 100% Satisfaction", which is posted up for everyone to see in all the Company's stores and which appears in all the Company's advertisements. Dominion customers know that they can be sure of receiving full value for their dollars in a store which makes and lives up to such a claim.

It is easy for a company to publish a guarantee but it requires a never-ending job of employee education to make sure that such a guarantee is always in effect. New employees are given instructions and help them recognize complaints and refer them promptly and courteously to a person who is authorized to deal with them. Even experienced employees are reminded from time to time of the importance of complete satisfaction for the customer, in order that the Company's performance will always remain at a high level.



CAROLE ANN SOLOMON
Talented 12-year-old
Leaside, Ont., was this
year's winner of the Company's annual scholarship, awarded in competition at the Kiwanis Music Festival in Toronto.

The Company strives to demonstrate the same spirit of fairness towards all the people with whom it comes in contact; the people to whom it pays its rent, the people from whom it buys its merchandise, and the people who perform various services.

Within the complexity of a modern Public Relations programme, many types of endeavour find a place. In the opinion of the Management of Dominion Stores Limited, none of them ever approaches in importance the policy of fair dealing with customers, suppliers, landlords and, in fact, all the groups with which the Company does business.

Scholarships Awarded at Western U.

In 1951, Dominion Stores Limited established a fellowship in the Department of Business Administration at Western University, London, Ontario. Under this fellowship plan, the successful candidate was to spend one year in graduate study at the University and to spend a second year engaged in research in the field of food distribution. This fellowship was held by two students.

At the end of that period, in consultation with the University, it was decided to change the condition of the Fellowship so that a greater number of students could be assisted financially to continue their studies at the graduate level. Accordingly, three J. William Horsey fellowships valued at \$500 each are now offered annually. They are open to graduates of the University of Western Ontario and to graduates of other Canadian Universities who are entering the Graduate School of Business Administration at Western.

Awarded on the basis of general proficiency in undergraduate work, the scholarships are not necessarily given to students who intend to study marketing. Their purpose is to make it possible for students of high academic ability, who might be financially unable to continue their studies, to undertake post-graduate work in their chosen field.

A Dominion Store is a "Local Store"—Everywhere

In Campbellford, Ont., early this spring, Dominion Store Manager Murray Stephens became a member of a local service club and had an opportunity to address the members briefly and to tell them something about his Company. He said: "The reason of its privilege of doing business there. We at Dominion Stores are measured by its ability to serve its customers well, to provide its employees with a satisfactory living, and to take its place in the community, where it must fulfil the obligations which come about by reason of its privilege of doing business there."



More Than a Window Card

Limited like to feel that over the years the most important thing has not been that we grew so big, but that we were capable of fitting into the community so well. Many things have helped Dominion to "fit in" so well in 140 communities, large and small, across four provinces. One is the Company's policy of decentralized buying which supports local industries and local farmers. Another is Dominion's system of localized support of charities. Others include decentralized labour relations, employment of local builders and materials wherever possible, localized advertising, etc. And, finally, of course, the "Friendly Courtesy" of Dominion people, which wins acceptance everywhere.

As the Company's representatives in their respective communities, Dominion Store managers take their place with other local businessmen in Chambers of Commerce, Boards of Trade and similar organizations. Company employees hold 81 such memberships in 66 communities.

HIGHLIGHTS—

(Continued from page 10)

FEBRUARY 15, 1952—Impressed by flood of resolutions passed by employees, President J. William Horsey declared a Company-wide "War on Waste."

FEBRUARY 26, 1952—Commerce Club of Queen's University, Kingston, Ont., addressed by Vice-President C. W. Foster.

FEBRUARY 27, 1952—Nine employees, seven men and two women, welcomed into Quarter Century Club—six from Montreal, two from the Company's General Office, one from Kitchener.

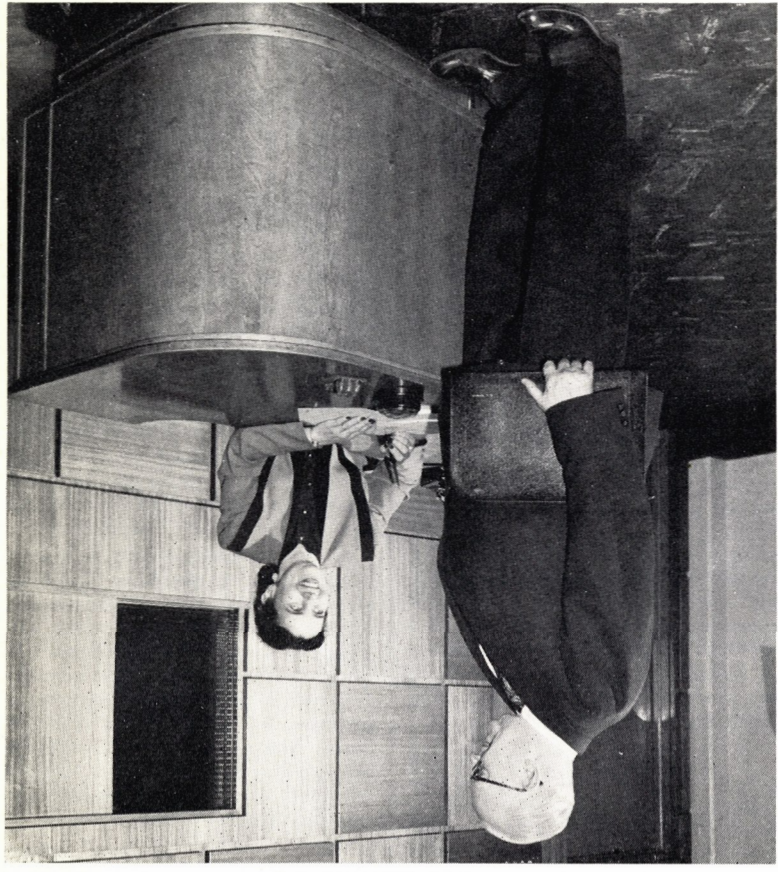
(Continued on page 14)

Charitable Donations Plan Administered Regionally

Your Company's method of dealing with requests in committee made it possible for the Company to handle systematically during the past year more than 600 individual donations in which the company operates stores.

At the beginning of the year the Board of Directors set aside a percentage of profits before taxes to be used for the support of worthwhile organizations. At the Company's General Office, a committee, consisting of the two Company Vice-Presidents and the Company's Secretary, dealt throughout the year with questions of policy, the allocation of money to the Districts and in an advisory capacity where large contributions were concerned. In each of the five Districts, a committee met regularly to pass on and distribute donations at the community level.

When the Canadian Red Cross campaign took place in March, more than 130 donations were made through local committees, an example of the Company's policy of localized contribution.



Not More Than 10 Minutes

E. L. Dunbar, of Christie, Brown & Co., Limited, Toronto, is one of scores of salesmen who call at Dominion's five buying offices every day. In the interests of good trade relations, it is a policy of your Company that no caller, on appointment, should be kept waiting for more than 10 minutes.

Advertising in 150 Local Newspapers Spearheads Aggressive Merchandising

"Cut Food Costs" is Theme



J. William Horsey, President of Dominion Stores Limited, has frequently reiterated this statement: "The only thing that justifies our existence is our ability to distribute foodstuffs to the public at lower cost."

Every phase of your Company's operations is directed toward the improvement of that ability. From the selection of real estate, through the design, construction and equipping of buildings, to the buying and handling of merchandise, every action is predicated upon the distribution of food at the lowest possible cost.

Naturally, your Company's advertising programme is aimed at informing the public of the resultant consumer benefits, week to week, of our overall policies.

In these highly competitive days, however, it is not sufficient to merely list available items and prices. Nor is it sufficient to use such hackneyed slogans as "Save," "Economize," or "Low Prices," without backing them up with logical interpretation.

Your Company has shown originality in its endeavours to inform the public of the advantages of shopping at Dominion. One example is illustrated and outlined in the upper right corner of this page. An example of another campaign, conducted in Toronto, is illustrated below.

The theme of this campaign was: "Cut Food Costs at Dominion." The first advertisement in the series featured Dominion's own "Richmello" Bread, available at three cents per loaf below the home-delivered price.

Copy translated this relatively insignificant saving into worthwhile terms by listing a table of the savings per year on one, two, three or four loaves per day.

The advertisement reproduced below was based on a survey of meat prices in Toronto, which revealed that Dominion's prices were well below the average of all stores. This was translated into a saving, compared with the city-wide average, of 30 cents on a five-pound roast of beef. This saving was further dramatized by a listing of other items which could be purchased for approximately 30 cents.

Tourism Promoted as Public Service

Director of Advertising
J. SCOTT FEGGANS

A page of advertising space is available to Dominion in Better Living each month, at no cost. For the past year your Company has used this space to promote better appreciation of the scenic attractions of the four provinces in which we have stores. Alternately, each month, an attractive full-colour illustration according to the tastes, preferences and availabilities in each community, and the local competitive conditions, is in line with the broader decentralization inaugurated in the fiscal year 1951 by the creation of Eastern and Western Divisions, a Division Advertising Manager now serves to co-ordinate and expedite advertising in each of the two Divisions.

Another survey was taken on the average price of 20 basic food items. It revealed that Dominion's prices on the 20 items were 9.21% below the city-wide average. This was dramatized in an advertisement headed: "Save 9% at Dominion!" In these and similar ways, your Company's advertising endeavours to attract attention and give credence to merchandising feature, but by the newspaper is headed not by a current Stores' advertisement in the local community. If you did, you would learn that there are seven different themes, one for each of the seven major points at which we come in contact with the shopping public. These are at the buggy and basket depot, produce department, meat counter, complaint adjustment, customer information, check-out service, and carry-out service. Whenever one of these ads appears it is linked to an internal programme of personnel education and inspiration calculated to ensure that the proud boast—"Friendly Courtesy at Dominion"—will be more than honoured in the daily performance of our people.

It is hardly likely that you clip and accumulate these "Friendly Courtesy" ads. If you did, you would learn that there are seven different themes, one for each of the seven major points at which we come in contact with the shopping public. These are at the buggy and basket depot, produce department, meat counter, complaint adjustment, customer information, check-out service, and carry-out service. Whenever one of these ads appears it is linked to an internal programme of personnel education and inspiration calculated to ensure that the proud boast—"Friendly Courtesy at Dominion"—will be more than honoured in the daily performance of our people.

Cut MEAT Costs at DOMINION

*** THE AVERAGE PRICE OF BLADE ROAST IN TORONTO LAST WEEK WAS 83¢ lb.**

Save 30¢ ON A 5 LB. ROAST

LOOK WHAT YOU CAN BUY WITH THE SAVINGS!

DOMINION'S PRICE FOR BLADE ROAST 77¢ lb.

GUARANTEED FRESHNESS AND TENDERNESS OR YOUR MONEY BACK!

Cut FOOD Costs at DOMINION

STRAWBERRY JAM	2.29	DR. BARKER'S	2.29
MONARCH FLOUR	2.29	SHRIMP	2.29
CHRISTIE'S SOYAS	2.29	ALMONDS	2.29
PEANUT BUTTER	2.29	ALMOND FLG	2.29
HEINZ KETCHUP	2.29	COCONUT	2.29
INFANT FOODS	2.29	COCONUT	2.29
LARGE PRUNES	2.29	COCONUT	2.29
JELL-O POWDERS	2.29	COCONUT	2.29
SWEET RELISH PICKLE	2.29	COCONUT	2.29
ORANGE JUICE	2.29	COCONUT	2.29
RED PLUM JAM	2.29	COCONUT	2.29
BARCLAY TUNA FISH	2.29	COCONUT	2.29
KIPPER SNACKS	2.29	COCONUT	2.29
MAPLE LEAF WENERS	2.29	COCONUT	2.29
MAPLE LEAF SIDE BACON	2.29	COCONUT	2.29
PRE-DRESSED CHICKENS	2.29	COCONUT	2.29
FRESH PORK BUTTS	2.29	COCONUT	2.29
MAPLE LEAF SMOKED PORK LOIN ROLLS	2.29	COCONUT	2.29
SHOULDER	2.29	COCONUT	2.29
LAMB	2.29	COCONUT	2.29
SHORT RIB ROAST	2.29	COCONUT	2.29
FLORIDA ORANGES	2.29	COCONUT	2.29
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CELERY HEARTS	2.29	COCONUT	2.29
SUN-KIST ORANGES	2.29	COCONUT	2.29
FRESH GREEN SPINACH	2.29	COCONUT	2.29
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CUCUMBERS	2.29	COCONUT	2.29
CELERY HEARTS			

Breakdown of Expenditure Shows Many Thousands Share Company's Prosperity

\$97,978,204 Paid Out to Operate the Business in 1951

Net After Taxes
\$1,803,476,
or 1.81%

From total sales income of \$99,781,680, your Company disbursed \$95,918,204 in payment for goods sold, in wages and employee benefits, and to meet the ordinary expenses of doing business. That left a profit, before income taxes, of \$3,863,476. After payment of \$2,060,000 in income taxes, the net profit remaining was \$1,803,476, or 1.81% of total income. Profit before taxes was \$790,378 greater than in 1950, and in spite of higher income tax rates, net profit was increased by \$80,378.

It is interesting to note that if 1950 income tax rates had been maintained throughout the past year, net profit would have been \$2,129,495, or \$326,019 more than actually realized. The minimizing, thus, of net profit, through current income tax rates, not only serves to diminish the current earnings of shareholders, but also reduces substantially the amount of earned money that may be reinvested in the business for future development, with all the inherent benefits to the community of improved employment, improvement in food shopping facilities, and lower food costs.

Shareholders
Paid \$630,030

From the net profit of \$1,803,476 realized on the year's operations after payment of income taxes, a total of \$630,030 was paid in dividends to the 2,537 shareholders of Dominion Stores Limited. The total of dividend payments in 1951 was \$39,372 greater than was paid in the previous fiscal year, equal to 50 cents per share compared with 46 2/3 cents per share in 1950.

Reinvested in
The Business
\$1,173,446

The balance of net profit remaining after payment of dividends to shareholders was \$1,173,446. This is the sum available from the year's operations of your Company to provide for continuation of the development of the business, and to increase working capital. Since 1940, 63% of aggregate net earnings has been retained in the business, during which period Dominion Stores Limited has increased its sales, net profit, dividends and working capital position each succeeding year.

HIGHLIGHTS—

FEBRUARY 27, 1952—Bob Tate, produce sales, Toronto, elected President of Quarter Century Club.

FEBRUARY 28, 1952—Montreal's third Dominion Mammoth Market, built by Louis Donolo Incorporated, opened at 2545 Masson St.

MARCH 6, 1952—First Dominion Mammoth Market in Windsor, Ont., opened at 2425 Tecumseh Blvd. Contractor: Dinsmore Construction Company, of Windsor.

Income Taxes
\$2,060,000

Federal and Provincial Income Taxes now represent the third largest individual cost of doing business, following cost of goods and payments to and for employees. In 1951, provision for income taxes totalled \$2,060,000, or 52.6% over the \$1,350,000 provided last year. Income taxes now take 54 cents out of every dollar of profit your Company earns.

Municipal Taxes, Rents, Other Expenses 3.28%

The operation of 215 stores, plus offices, warehouses and distributing depots, in 140 communities throughout Eastern Canada, involves a substantial total of expenses for rents, municipal taxes, licenses, insurance, light, heat, telephone service, laundry, repairs and maintenance, depreciation on buildings and equipment, advertising, legal fees and all the other routine costs of doing business.

In the past fiscal year, a total of \$3,278,910 was paid for such purposes, representing 3.28% of total income from sales. While the total was \$895,607 greater than the \$2,383,303 expended for the same purposes in 1950, close scrutiny of expenses throughout the year, resulted in a percentage-to-sales increase of only 0.07%, from 3.21% to 3.28%.

The widespread dispersment of your Company's operations and its decentralized system results in its disbursements creating profit and employment for many people across our territory.

employees. This represented 8.55% of total income from sales. It was an increase of \$2,083,173, or 32.33%, over the \$6,444,309 paid in the previous year.

Suppliers Paid
\$84,111,812,
or 84.30%

The growth of Dominion Stores Limited continues to create an ever-expanding market for the many hundreds of farmers, producers, packers, manufacturers and other suppliers from whom we purchase merchandise. During the fiscal year 1951, a total of \$84,111,812 was paid for goods, compared with \$62,284,144 in the previous fiscal year, an increase of \$21,827,668, or 35.04%.

It is significant that cost of goods look 84.30% of sales income in the past fiscal year, compared with 83.96% the previous year. Your Company's ability to thus operate the business on a smaller percentage of income represents a substantial saving to the consumer in lower food costs.

Dominion's huge purchases of goods, in addition to representing a large and in many cases new market for Canadian farmers and processors, creates indirect profit and employment for many thousands of people engaged in a wide variety of other Canadian industries.

Employees Paid
\$8,527,482,
or 8.55%

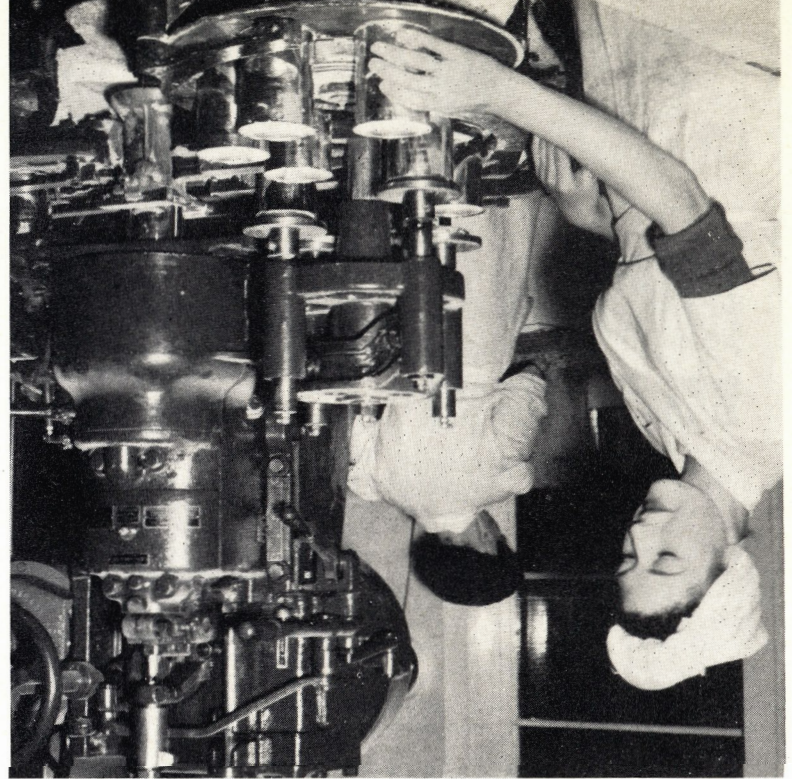
The sum of money paid to and for the benefit of employees constitutes the second largest disbursement of the income your Company receives from sales, being secondary only to the cost of merchandise. Combined, these two costs of doing business take \$9,285 1/2 cents out of every \$10.00 to pay the currently registers. This leaves only 7 1/2 cents out of \$10.00 to pay the currently substantial income taxes, municipal taxes, rents, advertising and other realized.

The growth of the Company's business continues to create increased opportunities for employees, and to create new jobs. In the fiscal year 1951, a total of \$8,527,482 was paid to or for the benefit of employees. This represented 8.55% of total income from sales. It was an increase of \$2,083,173, or 32.33%, over the \$6,444,309 paid in the previous year.

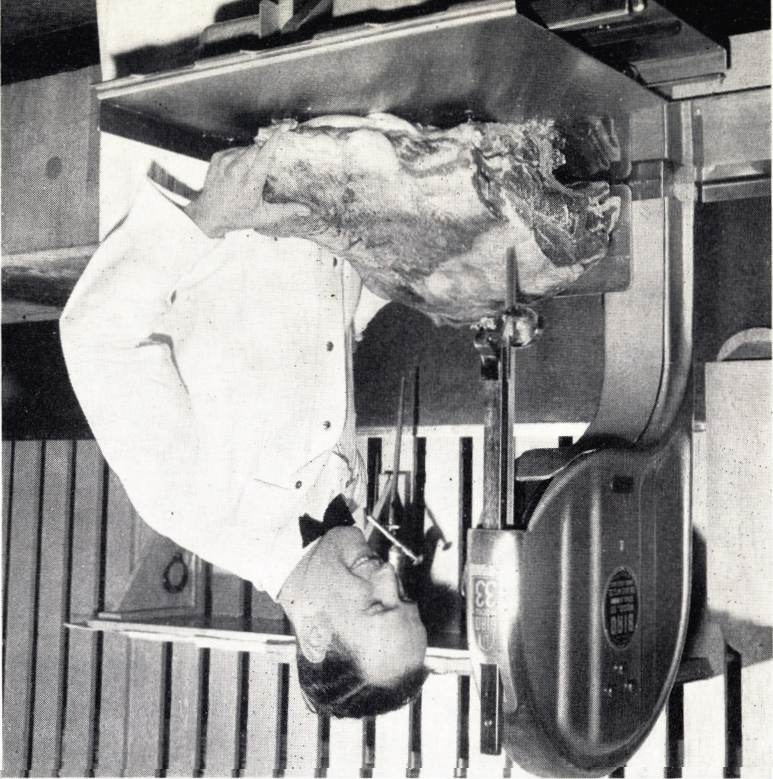
Out of Every \$10.00 Sale . . .



\$9.28 1/2 is Paid to Farmers . . .



Processors . . . Other Suppliers . . .



and Employees

COMPARATIVE BALANCE SHEET—1942 to 1951 INCLUSIVE
(000 OMITTED)

	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942
ASSETS										
CURRENT:										
Cash and bonds	\$ 3,577	\$ 2,020	\$ 2,146	\$1,503	\$ 652	\$ 583	\$1,545	\$1,157	\$ 699	\$ 533
Accounts receivable	104	60	103	76	73	113	272	122	135	198
Amounts recoverable on sale of store properties	475	1,797	1,262	698	—	—	—	—	—	—
Refundable excess profits tax—current	136	249	281	106	94	—	—	—	—	—
Merchandise inventories	5,294	4,468	3,570	3,018	3,799	3,250	2,822	2,861	3,221	2,671
Prepaid expenses	156	95	70	59	126	52	44	34	24	79
Total	9,742	8,689	7,432	5,460	4,744	3,998	4,683	4,174	4,079	3,481
OTHER:										
Refundable excess profits taxes—non current	—	—	—	258	286	380	391	245	105	15
FIXED:										
Buildings, land and equipment less depreciation	6,382	3,967	3,010	2,839	3,698	2,278	1,581	919	894	1,028
TOTAL ASSETS	\$ 16,124	\$ 12,656	\$ 10,442	\$ 8,557	\$ 8,728	\$ 6,656	\$ 6,655	\$ 5,338	\$ 5,078	\$ 4,524
LIABILITIES										
CURRENT:										
Accounts payable and accrued expenses	\$ 2,969	\$ 2,476	\$ 1,716	\$1,465	\$1,620	\$ 994	\$1,421	\$ 830	\$ 764	\$ 762
Amounts payable on store properties under construction	70	680	531	70	—	—	—	—	—	—
Income taxes	1,280	869	696	598	554	559	809	477	562	209
Total	4,319	4,025	2,943	2,133	2,174	1,553	2,230	1,307	1,326	971
OTHER:										
Contingency reserve	—	—	—	—	—	—	127	100	50	—
DEFERRED:										
Notes payable to bank	2,000	—	—	—	1,000	—	—	—	—	—
CAPITAL STOCK	3,673	3,673	3,673	3,608	3,575	3,575	3,264	3,100	3,100	3,100
EARNED SURPLUS	6,132	4,958	3,826	2,816	1,979	1,528	1,034	831	602	453
TOTAL LIABILITIES	\$16,124	\$12,656	\$10,442	\$8,557	\$8,728	\$6,656	\$6,655	\$5,338	\$5,078	\$4,524
WORKING CAPITAL	\$ 5,423	\$ 4,664	\$ 4,489	\$3,327	\$2,570	\$2,445	\$2,453	\$2,867	\$2,753	\$2,510
SHAREHOLDERS' EQUITY	\$ 9,805	\$ 8,631	\$ 7,499	\$6,424	\$5,554	\$5,103	\$4,298	\$3,931	\$3,702	\$3,553

COMPARATIVE STATEMENT OF INCOME AND EXPENDITURE
1942 to 1951 INCLUSIVE
(000 OMITTED)

	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942
SALES	\$99,782	\$74,185	\$64,247	\$62,779	\$53,492	\$40,899	\$34,829	\$31,989	\$27,655	\$26,269
COST OF GOODS SOLD	84,112	62,284	53,988	53,416	45,581	34,381	29,053	26,773	22,946	21,841
EXPENSES										
Employees' salaries and benefits	8,527	6,444	5,723	5,449	4,567	3,559	3,058	2,788	2,519	2,131
Rent, light, heat, telephone, laundry, repairs and maintenance	1,816	1,221	1,111	985	914	768	812	785	748	788
Other expenses, including advertising	804	712	586	455	501	412	427	428	362	375
Depreciation on buildings and equipment	417	294	230	211	142	105	84	127	143	164
Business taxes, licenses and insurance	244	180	156	114	116	82	71	79	73	81
Legal fees	3	5	5	5	19	12	11	6	3	14
Total expenses	11,811	8,856	7,811	7,249	6,259	4,938	4,463	4,213	3,848	3,853
Deduct: Interest earned on investments	4	28	31	—	—	2	23	23	10	11
Total Cost of Goods Sold and Expenses	95,919	71,112	61,768	60,665	51,840	39,317	33,493	30,963	26,784	25,683
INCOME TAXES	2,060	1,350	1,000	810	769	821	885	665	550	285
NET PROFIT	\$ 1,803	\$ 1,723	\$ 1,479	\$ 1,304	\$ 883	\$ 761	\$ 451	\$ 361	\$ 321	\$ 301
No. of Stores at Year End	215	205	205	221	228	229	234	243	251	258

Simplified
System of
Accounting

It is evident that in a business with an annual volume in the neighbourhood of one hundred million dollars and operating over two hundred stores there must be a sound and efficient accounting structure. We believe we have this in your Company.

The accounting structure of your Company is designed not only to maintain a proper control of the Company's assets and to report accurately the result of the operations, but also to provide the operating people with a day by day and week by week picture of the progress of the many departments of the business. This latter function is very important since it enables prompt action to be taken when required at any specific point.

Accounting is an integral part of our business. It enters into all phases of the operation, from the purchase of property for a retail outlet to the payment of a dividend to shareholders. To facilitate the quick compilation and distribution of information to those concerned, the Company's accounting is decentralized. An accounting staff, headed by an Office Manager, is maintained in each District Office.

Chain store accounting may seem complex, but our aim has been toward simplification. The process begins with the records which must be prepared in the store. We try to keep this to a minimum in order that the efforts of the store staff may be directed to the selling of merchandise. To further this end, the large stores have a bookkeeper on the store staff. The store's reports, invoices and other documents are forwarded to the District Office each day. Complete accounting records of the operation of each District are prepared and maintained in the District Office and the reports are forwarded to Head Office for consolidation.

Balanced inventories, consisting as they do of fresh merchandise, are important in the successful operation of our business. This means frequent deliveries and many invoices. Each day the District Offices process thousands of invoices and several thousand cheques are issued to suppliers every week in the year. Prompt payment, we believe, does much to ensure good relations with our many suppliers.

DOMINION STORES LIMITED

GENERAL OFFICES: 605 ROGERS RD., TORONTO, ONT.

DISTRICT OFFICES

605 ROGERS RD., TORONTO, ONT. ● 365 RICHMOND ST., LONDON, ONT. ● 3401 BEDFORD RD., MONTREAL, QUE. ● 100 SACKVILLE ST., HALIFAX, N. S.

DIRECTORS

STEWART G. BENNETT
*ROLPH R. CORSON
*J. WILLIAM HORSEY
JOHN B. JAMESON
HON. GERALD MARTINEAU
M. W. McCUTCHEON, Q.C.
**JOHN A. McDOUGALD
LT.-COL. W. E. PHILLIPS
J. EDOUARD SIMARD
*LOUIS D. SQUAIR
*E. P. TAYLOR
HOWARD L. WALKER
*EXECUTIVE COMMITTEE **CHAIRMAN, EXECUTIVE COMMITTEE

OFFICERS

J. WILLIAM HORSEY, PRESIDENT
LOUIS D. SQUAIR, EXECUTIVE VICE-PRESIDENT
IVOR CRIMP, EXECUTIVE VICE-PRESIDENT
C. W. FOSTER, VICE-PRESIDENT
T. G. McCORMACK, VICE-PRESIDENT AND TREASURER
ALFRED A. BEEVOR, SECRETARY

AUDITORS

McDONALD, CURRIE & CO., TORONTO, ONT.

BANKERS

THE CANADIAN BANK OF COMMERCE BANQUE CANADIENNE NATIONALE
THE BANK OF TORONTO THE DOMINION BANK
THE BANK OF NOVA SCOTIA THE ROYAL BANK OF CANADA
THE BANK OF MONTREAL

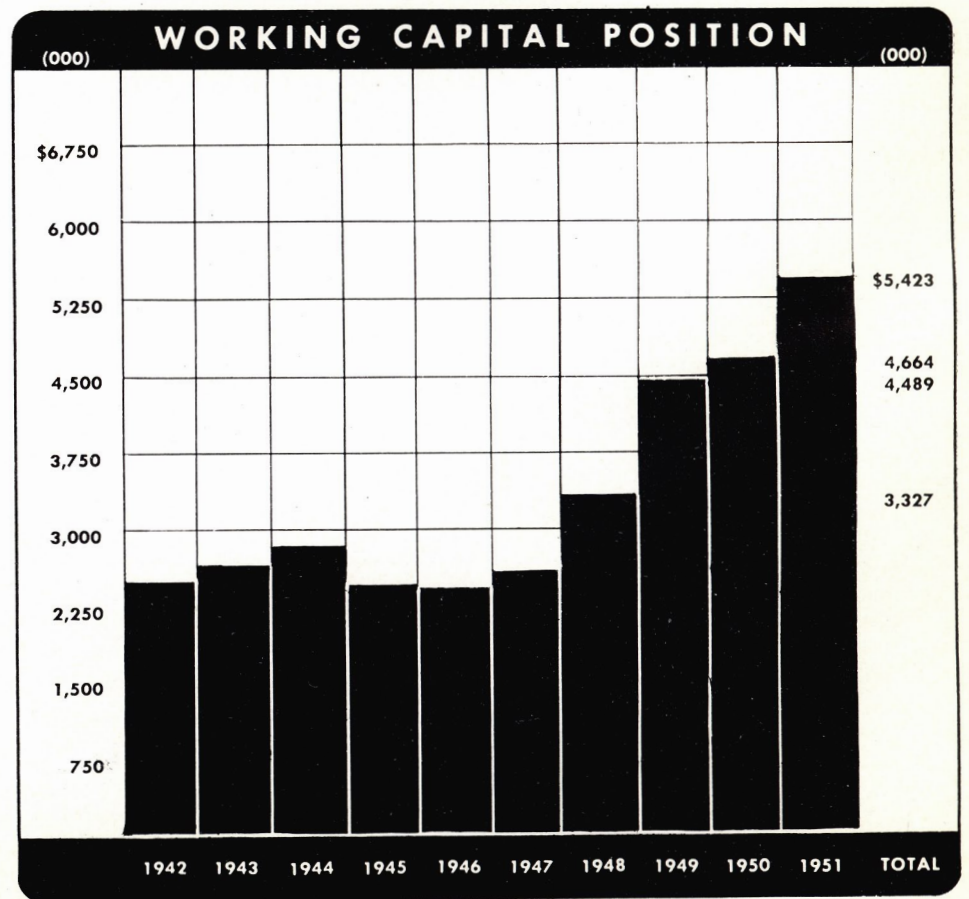
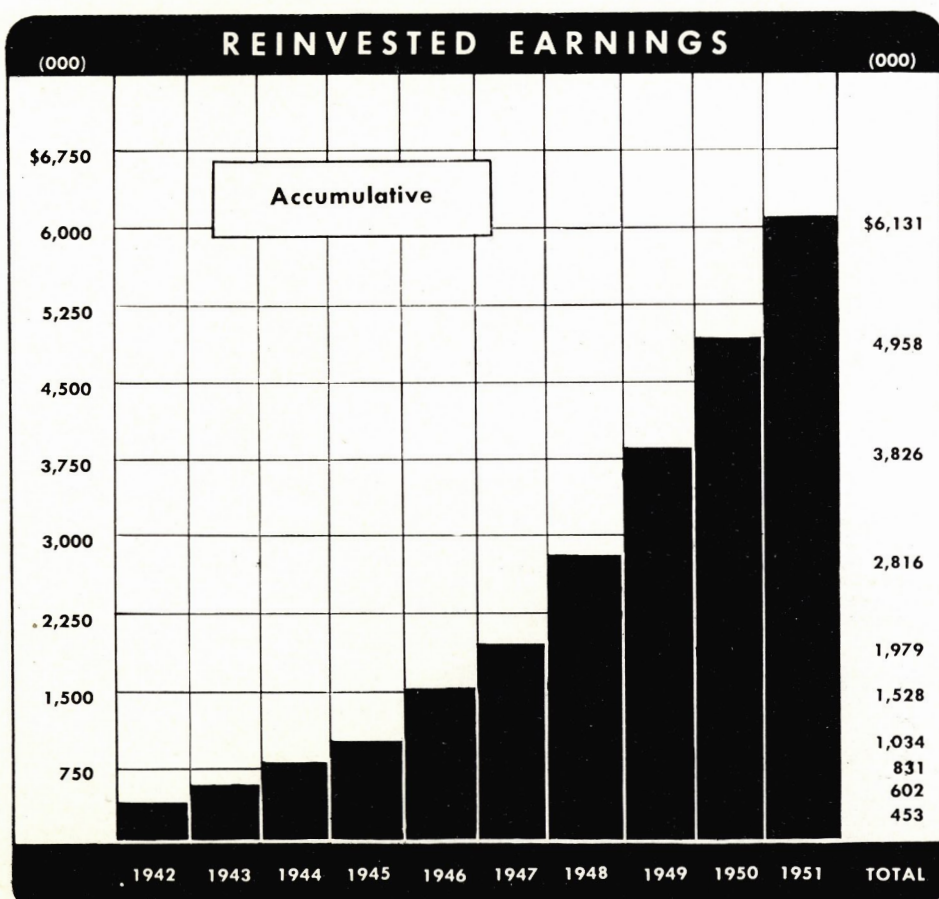
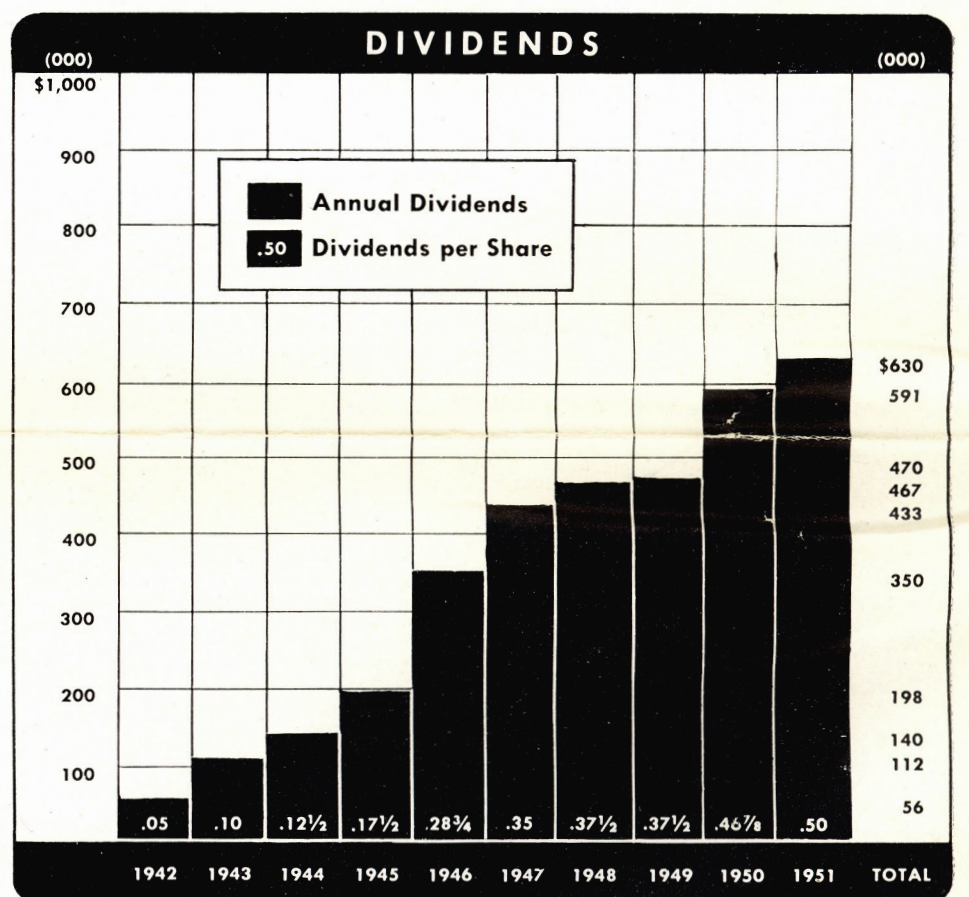
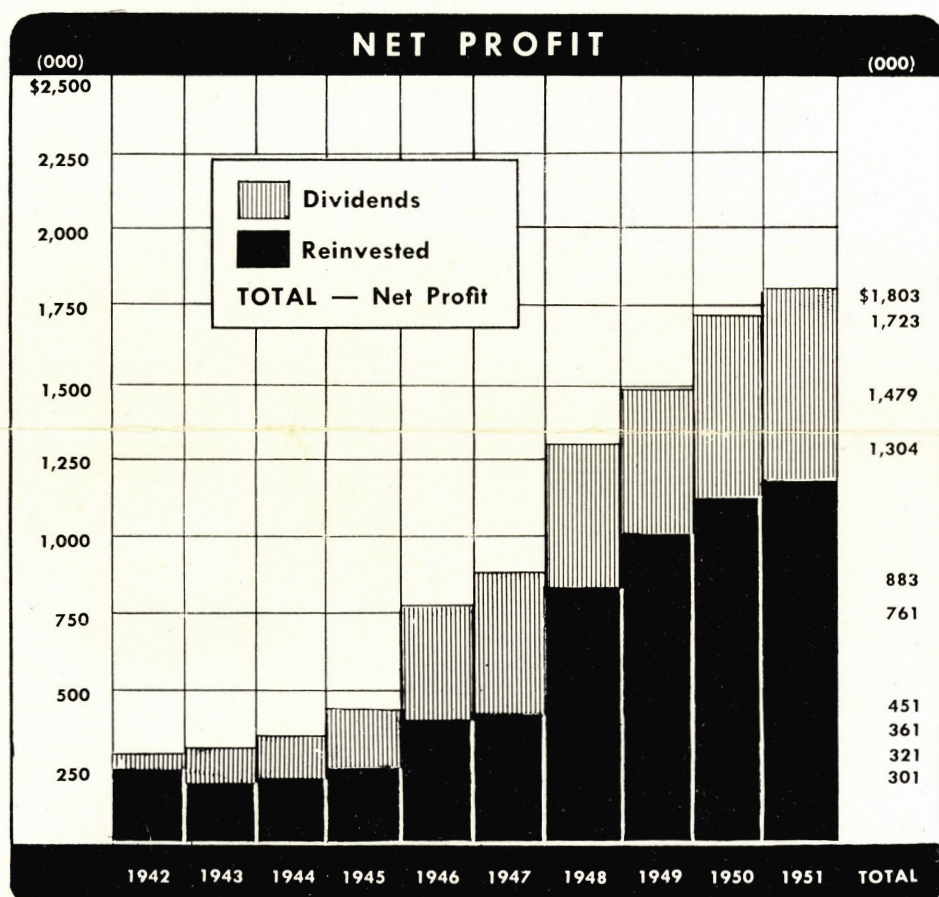
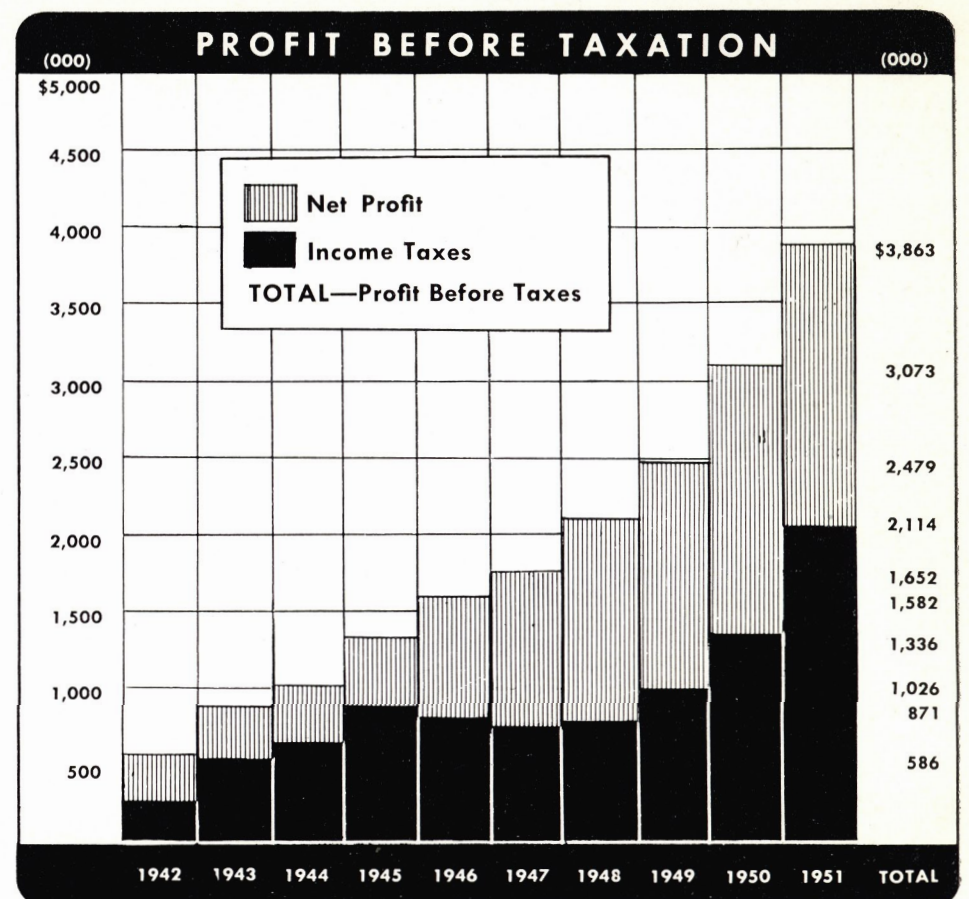
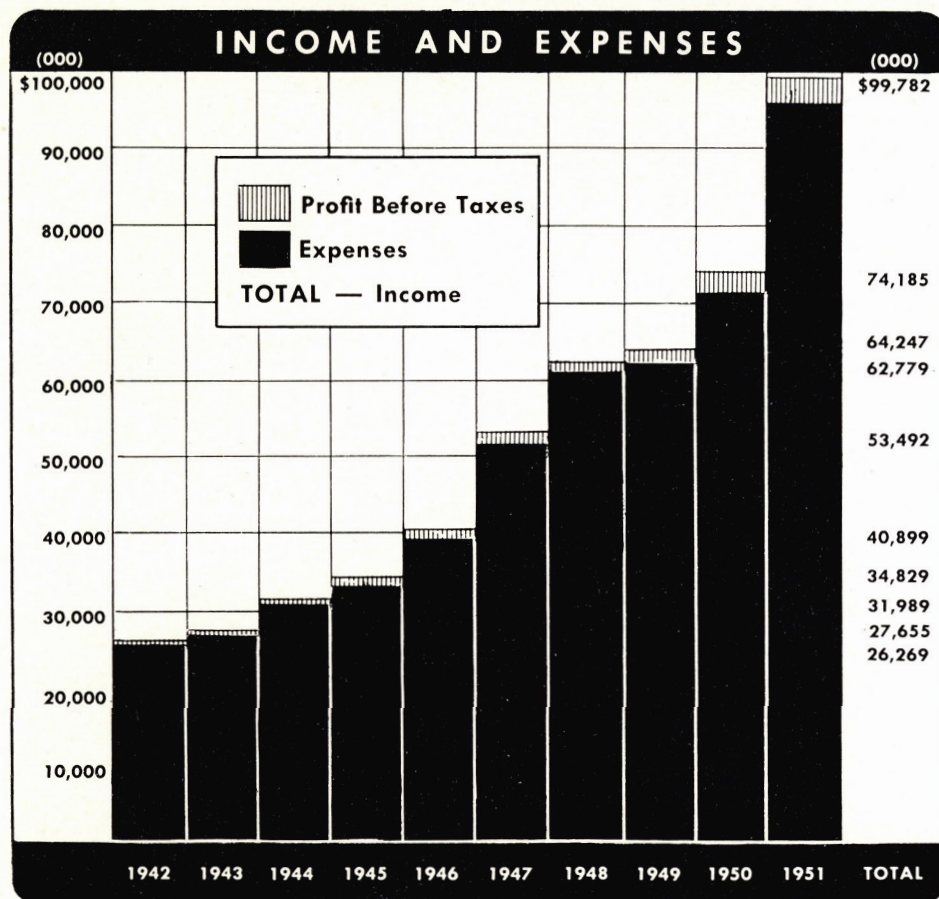
TRANSFER AGENTS

CROWN TRUST COMPANY, TORONTO, ONT.
THE ROYAL TRUST COMPANY, MONTREAL, QUE.
THE EASTERN TRUST COMPANY, HALIFAX, N.S., AND SAINT JOHN, N.B.
BANKERS TRUST COMPANY, NEW YORK, U.S.A.

REGISTRARS

CHARTERED TRUST COMPANY, TORONTO, ONT., AND MONTREAL, QUE.
THE EASTERN TRUST COMPANY, HALIFAX, N.S., AND SAINT JOHN, N.B.
BANKERS TRUST COMPANY, NEW YORK, U.S.A.

CHARTS DEPICT 10 YEARS OF PROGRESS



(Statistical Presentation of Above Charts Appears on Preceding Page)